

# 中国国际 体育用品 博览会



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# 2016

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# CHINA SPORTING GOODS INFORMATION

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2015 China Sport Show Creates New Record of Audience Size



On the 11th of May, 2015 China Sport Show held in Fuzhou International Strait Conference & Expo Center brings down the curtain. There are 1,124 participants and over 2000 brands joined the Show. Contract exhibition area reached to 65,000 square meters with over 57% usage rate, 78,000 people joint. Audience reached to 120,000 (10% more than the Wuhan Show). 2015 China Sport Show breaks a historical record and creates a great platform for the industry to communicate. Except for 120 participants of racquets area, other exhibitions all experienced increased participants than previous

years. Fitness area occupies half the whole with more than 400 participants. Venue facility and construction area have over 160 participants and increase 6% which is on the top level with regard to participant increase and outdoor skating and bicycle area with 180 exhibitors. It is worthwhile to mention that Fujian local exhibitors reach 118 which also create a new record.

2015 China Sport Show has 78,000 audiences with over 120,000 person trips. As the first sport show after the issue of “Guiding Opinions on Speeding up the Development of Sports Industry and Promoting

Sports Consumption” by the State Council, the 2015 Fuzhou China Sport Show attracts the most public concerns and attentions.

According to the White Paper of Sporting Goods Industry, the sales volume of Chinese sports goods including sportswear, shoes, equipment and related manufacture is 241.8 billion, 15.89% increase after eight years of single digit growth since 2011. The proportion in GDP is 0.38% also increased compared with last year. Total export was \$20.1 billion in 2014, with \$17.86 billion trade surplus and \$1.1 billion import, 1.81% increase. Export \$18.97 billion, 8.29% increase.

Mr. Li Hua, Director of China Sports Equipment Administrative Center and Vice Chairman and Secretary General of China Sporting Goods Federation, said that the industrial data and conclusion can be positively affect the development and strategy of Chinese sports industry especially in the era of Internet+. During the summit Forum, he also pointed that after three years deep revolution the recovery is coming for the industry, together with beneficial policies, there must be a brand new strategically development phase.

The new development platform is formed already under beneficial policies and together with the inflection point of the New Normal, the industry can grow well.

It is been said that the 2016 Show will still in Fuzhou.

Sponsor China Federation of Sporting Goods Industry  
Editor-in-Chief Li Hua  
Editorial Director Ye Chun  
Main Editor Luo Jie  
Associate Editor Wen Jia Hou qiu ling  
Executive Editor-in-Chief Cui Kan Kan Zhang Mei  
Editor Zhang shuguang Fu Chunyu  
Special Correspondent Feng Gang He mu Luo Yilin  
Art and Design dt Brand  
Proofread Li XiaoBing  
Address Stadium Road, Dongcheng District, Beijing  
Postcode 3100763



# Value Creation Promote the Industry

By Wang Hui



## Sidelight of 2015 China Sporting Goods Industry Summit

On the 7th of May, China Sporting Goods Industry Summit themed at Value Creation is held in Fuzhou International Strait Conference & Expo Center. The contents is updated overall which focus on comprehensive development of the whole industrial chain, also covers official release, theme speech, opinions release and capital related point views.

The summit Forum attracts high attention in the industry. For example, Xiao Min, Chairman of China Sporting Goods Federation, Mr. Li Hua, Director of China Sports Equipment Administrative Center and Vice Chairman and Secretary General of China Sporting Goods Federation, Zhang Ming, division head of Social Service and Development Department

of the National Development and Reform Commission, Helen Ford, Asian Director of World Federation of the Sporting Goods Industry, Wang Hongyuan, Chief Economic Analyst of SIC, etc. It is been commonly agreed that the industry is experiencing recovery from painful past, during this process, the whole industry will need rebuild core capacity, explore value creation and promote the whole industry.

## Focus on Value Creation and Growth

Li Hua said that the issuance of Guiding Opinions on Speeding up the Development of Sports Industry and Promoting Sports Consumption by the State Council represents that the industry is experiencing new strategic development. It also promotes mass fitness into national strategy which

could increase sports consumption on the one hand, and lead strategy development on the other hand. As a result, the theme of this year is Value Creation, discuss key drive of industrial development as well as sustainable development. It is hopeful to provide a platform for industrial transformation and great-leap-forward development.

## Broad Industrial Development Prospects

"Ten years ago, the market was 6 billion Euro but now it is 24 billion Euro. The population of China is four times of the States, so the market is huge", Helen Ford feels very hopeful to the Chinese market.

Wang Hongyuan said that from the point view of national economy the proportion is 0.4% of GDP from 2006 to 2014. In 2014 the proportion is 0.38%. Overall, the advantage is not completely appears yet. The market will expand as diversification, demands of multi-level grows the market capacity will expand further.

## Build High Quality Brands

According to Zheng Jie, CEO of ANTA, "During the process of value creation, the industry will be integrated which requires more inputs, investments and high competition to the business. Low competences companies will be eliminated by the market". Domestic companies are weak in regards of R&D, human resource storage, innovation and brand history, so it is a question that how to overcome other international brands in short time period. The strategy of ANTA is "Innovation, Revolution, Fight", which is to win the market and take the challenge.

# The 2014 White Paper of Sporting Goods Industry Released in Fuzhou

By Lv Min



Through Value Creation and the updates of core competence the industry will enter a new golden age. These words are repeated by the host and guests. The important part of the Show, China Sporting Goods Industry Summit themed by Value Creation is held in Fuzhou International Strait Conference & Expo Center on 7th of May. Theme speeches are spoke by mangy important guests for example, Xiao Min, Chairman of China Sporting Goods Federation, Mr. Li Hua, Director of China Sports Equipment Administrative Center and Vice Chairman and Secretary General of China Sporting Goods Federation, Zhang Ming, division head of Social Service and Development Department of the National Development and Reform Commission, Helen Ford, Asian Director of World Federation of the Sporting Goods Industry, and Wang Hongyuan, Chief Economic Analyst of SIC, etc. It is been commonly agreed that the industry is experiencing recovery from the painful past, during this process, the whole industry will need rebuild core

capacity, explore value creation and promote the whole industry. Golden age is coming for Chinese sports industry.

Li Hua, Vice Chairman and Secretary General of China Sporting Goods Federation released the 2014 White Paper of Sporting Goods Industry. Data show that the sales volume of Chinese sports goods including sportswear, shoes, equipment and related manufacture is 241.8 billion Yuan, 15.89% increase after eight years of single digit growth since 2011. The proportion in GDP is 0.38% also increased compared with last year.

Li Hua said currently it appears three major trends. The overall industry is in recovery now. Beneficial policies are frequently issued, new development phase is coming. Inflection point appears with the new normal. Sportswear has been deeply reformed during the past three years, inventories are cleared mostly, and most brands realized profits already. Shoes sales of ANTA and Xtep increased 17% than last year as

well as sportswear. Personal sports protective equipment realized 47.07% increase this year which is a historical record. Outdoor goods grows slowly, the market is transferring from extensive growth to professional and elaboration phase.

Helen Ford, Asian Director of World Federation of the Sporting Goods Industry shared her thoughts on global industrial trend and also mentioned that the Chinese market will take the majority of the global market. The expected market size of 2014 is 277 billion Euro. The overall global market is increasing during the past even though there was a period of decline. Ford thinks wearable device will dominate the market and China provides instructive suggestions for the development of sports market.

Regarding the issue that how to catch the opportunity, Li Hua suggests to deeply find the growth space, promote technical research and development, structural adjustment, updating and exploring sustainable valuation mechanism in order to achieve rapid development.

Wang Hongyuan, Chief Economic Analyst of SIC thinks the domestic economy is in down time, the State Council NO.46 document clearly states the direction of sports industry, and the industry will face new opportunity and increase the proportion of GDP. Zhang Ming, Director of Development department of NDRC and Zhen Jie, CEO of ANTA share perspective opportunities from the point view of policy making and market practice. Pan Shijian, founding partner of Kaixing Capital revalues the value chain from capital point view.



# Chinese Fitness Industry Forum: Focus on 2016–2020

By Yang Chuang



Editor's Note: This Forum is the most practical one ever from the policy review and trend observation, because speakers use the plainest language to explain every single important questions, which all enables people to find the answer they want.

With the theme of Value Creation, the Chinese Fitness Industry Forum opened on 7th of May 2015 at Fuzhou International Strait Conference & Expo Center. Liu Guoyong, Director of Sports for All Department of General Administration of Sport of China, Ren Pengxiao, Deputy Director China Sports Equipment Administrative Center, Matt McConley, CCO of Qiaoshan Health Science and Technology (North America) Company, Wang Xuesong, CEO of Sports and Fitness Division of Jingdong all attended the Forum.

Chinese Fitness Industry Forum makes innovations on structure

and contents at the same time. Reviewing the past year, accompany with the mass fitness to become national strategy and era for all business to make innovations, Chinese fitness industry will face golden development opportunity. The 2015 Forum themed at Value Creation talked about mass fitness and consumption and Internet+ and shared industrial data and topics relates with updates of value chain.

Peng Xiao issued the White Paper of training and fitness equipment industry for 2015. The 2014 report catches great attention in the industry, based on which we further improve the content and information after listening to the public in order to present a better version of report. According to the trend, product intelligentization, market segment and channel segment should be diversified. Firstly, companies should pay enough attention to the policy effect. Secondly, deeply explore

consumption behavior. Thirdly, follow the Internet+ trend. Last, carry on the mission of enlarge company size and work hard to achieve better direction for Chinese fitness industry.

Zhang Bin, the host of the Forum asked Liu Guoyong whether he should wear a tie. Liu Guoyong replied that exactly like the industry we should loose up a bit, and then he gave a speech about transformation of mass fitness and explain the NO.46 document of the State Council. Important policies and initiatives will be closely related with mass fitness industry. While the development of mass fitness industry, other things like positioning, operational mechanism, resource allocation, and etc. all should be changes as well. The government should always be innovative. 2016-2020 will be a new period, and he makes suggestions on six perspectives. The first is the innovative model of mass fitness public service. The second is the innovation on mass fitness governance system and capability. The third is to stick on problem and need orientated. The fourth is the innovation on mass fitness organization. The fifth is the innovation on implementation. The sixth is the innovation of mass fitness service model.

In the last, Director Liu suggests to enlarge the size of mass fitness industry by taking the example of the Marathon.

# Focus on Chinese Sports Industry: Stakeholders of the Five Trillion Goal



October of 2014, the State Council issued the "Guiding Opinions on Speeding up the Development of Sports Industry and Promoting Sports Consumption" (herein to refer to as the Opinions). By end of 2025, the market size will achieve five trillion RMB. The article will make analysis on the following three issues. The first is how to develop and allocate industrial resources. The second is whether sports products and services can meet the public needs. The third is the supporting policies for the benefit of industrial development.

Sports Competition Industry Is the Core of the Industrial Chain

Many insiders take positive hope on the industry because they strongly believe in the continuously increase of competitions and advertising contributions of sports events like CBA and Chinese Super

League these years.

Within the pyramid of sports industry, sports competition and performance industry is treated on the top and leading the industry.

According to Chinese Super League Valuation Report, Chinese Super League earned 400 million Yuan during 2014 which is the best year ever. Each club earned around 10 million, 75% higher than last year which was 5.7 million.

As a sports competition operation company, Oceans signed with three clubs of Chinese Super League, two clubs of League One. Zhu Xiaodong, the CEO, declared that clubs can gain professional knowledge on business development and methods to boost attendants. Strategic cooperation always takes five years on average instead of only consulting. By deeply exploring value of competitions, sports

operation companies can also have more opportunities.

Meanwhile, some unpopular projects have some opportunities, too. China Table Tennis Association goes public on Beijing Sports Industry Resource Exchange in 2015. Even though the competition level is high enough, to selling better still requires customer satisfaction.

Currently, the business value of competition is not completely developed yet, and the reason is that the marketization level of resources and contents of the value chain such as competition, sports stars and broadcasting rights is still low.

Mass Fitness Industry Is the Treasure to be Digged for

During the marketization, independent property rights events are stimulated due to sports resources allocation and rights.





In the recently two years, Wukesong Indoor Stadium brings up the concept of four season sports. Three-to-three basketball in summer, Five-people basketball in spring and autumn, and Snow World in winter are all popular. The responsible person of the stadium said currently is not in broken even yet, however, through these activities we can attract advertising contributions which is the common method to make a profit and takes 80% of the whole revenue.

Coincidentally, Wisdom Group take the project called four season run. It is hold in eight cities in China. Single running is accumulating business value. The value will be even bigger if it is nationwide. Famous analyst Yang Renwen said that Wisdom is familiar and professional with advertising contribution and they want more customers which is their

main purpose. Iyuesai has over 200,000 active users and there will be a new story to be told once the users are large enough.

Sporting Goods Industry Is Facing New Challenges

In the components of value added of sports industry in 2008, sports good, shoes and cloth take 80%, the share is over 75% in 2010. Refers to the US, sports goods only take one third. Traditional industry will face new challenges during transformation.

Zhang Tao, Vice CEO of ANT thinks more and more people will join sports with the background of national sports strategy, sales volume will also increase as a result. ANTA is building brand. By cooperating with national teams, the ANTA brand will be strengthened, and consumers will thinks about ANTA once they think about Chinese

sports.

Some companies think the opportunities are coming to them. One of the time-honored brand Feige Bicycle works with Letv sports to develop super bicycle, except original beauty of machine, it also provides social network, riding data, intelligent control and prevention of burglary. CEO of Feige said that sports industry need internet thinking as well, the concept of internet+ pushes the cooperation of Feige and Letv sports. The product is cutting-edgy. He believes it will be very popular.

Due to the development of internet, big data, and intellectual technology, traditional manufactures who can build up a new platform first will win the market.

( Source : People's Daily )

## Three Trends of Sporting Goods Industry



On 11st of May, China Sport Show is closed in Fuzhou. Through China Sport Show, running, football, intellectualization may become the three tends for sporting goods industry.

Welcome the Golden Age with Beneficial Policies

According to the White Paper of Sporting Goods Industry 2014, sporting goods industry has experienced three years of bad times, and it realized two digits increase since 2011 for the first time. The industry will go to the golden age after the release of consumption needs.

Running and Football Market Segments Are Highlighted

Exploring on specific area according to different needs is necessary on the way to become international top brands based on the observation of recent trends. For example, children, women goods. Running and football are very eye-catching in this year's China Sport Show.

ANTA released "You're the

Runner, Run with me "strategy. New technology includes column elastic rubber, soft column, easy to bend, energy ring, and double socket. This action means ANTA is going to hit the market.

Similarly, during China Sport Show, Xtep exhibits running project. Ye Qi explains that Xtep is advantageous in running market, and they will strengthen the market on more marketing activities like color run, night run, girls' run and etc..

Ye Qi said football is much influenced by objective matters and football league can gain huge profits which will has great potential and consumptions in the future. Football is rising as an important sector of sports industry. Xtep will reallocate the current resources.

Internet+ Will Improve Sports Experience

For the future industrial development, both consumer orientated products and technology updates such as intelligent wearable devices, new material technology,

and internet+.

During China Sport Show, domestic brand Lining released the world's first intelligent football, the Lining WiCore which inserts chips and Bluetooth, wireless charging and APP connections can provide football sports data and analysis display.

Intelligent shoes, treadmill, equipment, resting detector, badminton, Ping-Pong pitching machine are all show in China Sport Show. SEMS started to invest in intelligent shoes and this time they brought many new defined shoes. Indoor walking shoes and motions sports are significantly experienced by the audience.

In fact, Helen Ford, Asian Director of World Federation of the Sporting Goods Industry also mentioned at the Forum that wearable devices would boost in the future.

( Source: Jinjiang Economic News )



# 2016 ( 34th ) China International Sporting Goods Show Starts Registration

2016 (34th) China International Sporting Goods Show will be held from 22nd (Friday) to 25th (Monday) of April, 2016 in Fuzhou International Strait Conference & Expo Center. The official registration starts.

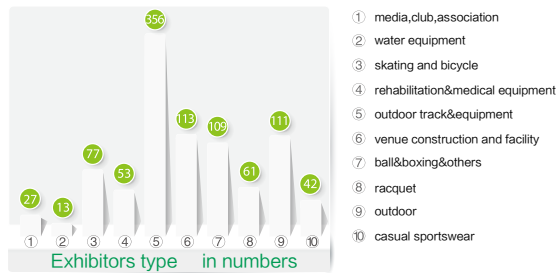
China International Sporting Goods Show is the only nationwide, international, and professional sports goods show and also the biggest in Asia.

April 2016 China International Sporting Goods Show will be hold in Fuzhou. Over 1100 international brands will join. There will be over 130,000 square meters area with six main exhibition zones, and also summit Forum. The Show will be comprehensive and multi-dimension.

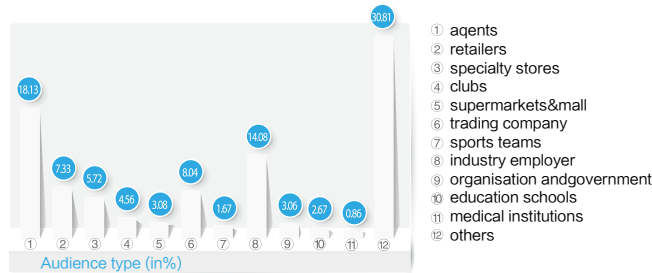
1: Data statistic

Data is summarized as below

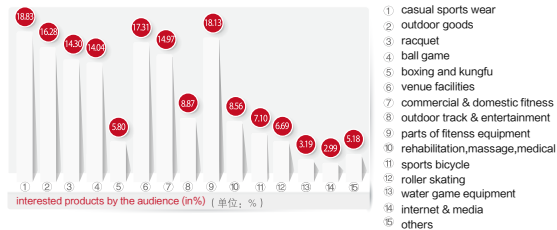
1: 2015 China Sport Show exhibitors types



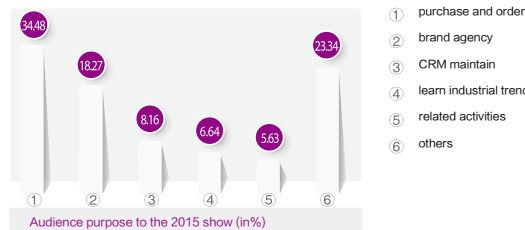
2: 2015 China Sport Show audience type



3: 2015 China Sport Show audience interested products



4: Audience purposes to 2015 China Sport Show



2. Exhibition zone map

展区规划



1.Fitness sports zone — opportunity for brands

Eye-catching

Commercial fitness equipment zone

Domestic fitness equipment zone  
Rehabilitation massage equipment, health-care product, sports science instruments (massage chair, massage equipment, foot bath and massage equipment)

Outdoor fitness path and equipment (outdoor fitness equipment, entertainment and equipment for children)

Fitness equipment parts zone  
Media zone  
New fitness industry Forum.invite industry experts  
Fitness industry communication

2. Sportswear and ball games zone — colorful life

Sports fashion. Sport shirts, hooded sweats, functional underwear, shoes, sports glasses, sports watches, fashion accessories, intelligent devices, materials, shoes and accessories.

Water sports zone. Swimming suits, boat shoes, sailing shoes, swimming accessories, diving clothes, ships and boats.

Ping-Pong equipment and accessories

Football and basketball and accessories

Billiards, table tennis and accessories

Other balls (golf, baseball, handball, hockey ball, rugby, racket ball, gate ball, nest ball)

Darts, board, bows, crossbows, and a sword

Taekwondo, boxing, Kungfu supplies and equipment

The product of franchising, souvenirs, trophy, etc.

3. Venue facility and construction area — safe environmental innovation

Sports ground system. Artificial grass, natural grass, wood, plastic, rubber, prefabricated type coil, silicon PU, PU, PVC, assemble type floor, clay.adhesives, pave, related equipment and supplies.

Venue construction. Movable stands and chairs, fencing, membrane structures, waterproof, and noise reduction. Lighting, audio equipment, LED screen. Swimming pool equipment and maintenance. Rock climbing extend equipment, dance equipment. Ice rink, skiing facilities, safety equipment. Sports venues inspection agencies, venue planning, operation, maintenance, energy management technology, security facilities, and other sports facilities.

Sports equipment. Football, basketball, tennis, and athletics equipment





Gymnastics weightlifting equipment. Outdoor basketball stand, Ping-Pong, etc.

4.Racquet zone – fast growth and more opportunities

Racquet, clothing, primaries shoes and sports accessories (bags, caps, socks, etc.).

Tennis and badminton series products

Racquet accessories product (badminton net line, hand glue, serve machine, threading machine, ball picker machine, etc.).

Sports gear, care products

PVC floor (floor for Ping-Pong and racquet, floor glue),

Tennis court

Field equipment, racquet training product, inflatable net primaries

Rope

Related product software system, professional racquet clubs, associations, and other media.

5.skiing and outdoor zone – challenge yourself

Extreme sports and equipment: board, X-bicycle, rock climbing,

snowboarding, parkour, roller skating, scooter, gear, etc.

Outdoor sports and the function equipment: clothing, equipment, hiking equipment, climbing rope, lock, ice axe, ice piton, crampons, cross-country and hiking stick, etc.

Camping equipment. Tents, sleeping bags, inflatable mattress, outdoor furniture, camping cookware, etc.

Cycling sport and equipment. High-tech sports bike,

Cycling suits, gloves, functional underwear, shorts, socks, etc.

3. Exhibition and registration

1.registration official website

1.www.sportshow.com.cn

2.deadline: 20th of March

2.how to register

Online

Log in official website of China Sport Show: www.sportshow.com.cn

Click log in – fill the application form-submit-success

3.how to watch the Show

In order to gain accurate information, we recommend you do online applications, as follows.

(1) Log in official website of China Sport Show. www.sportshow.com.cn

2.Click online application

Apply-submit your information-submit-success-print PIN and unique code-print out and carry to the site with your ID.

4. Arrangement of sites

1.arrangement time for exhibition.2015 /8/1 -11/30.raw space for the majority ( raw space is less than 500 square meters)

2015/ 12/ 1 -2016/ 3/ 20.standard booths.

2.Signing and payment timeline

The show will strictly apply the agreement and timeline

More information please add Wechat of China Sport Show. Wechat.chinasportshow..

## Seminar on Standardization of Sporting Goods Is Held in Ningbo



Recently, 80 representatives from sports industry and SAC/TC291 gathered in standardization of sporting goods seminar. Representatives were actively spoke during the seminar and made many great suggestions for the industry development.

It is been known that the standardization meeting was hold in March, and focus on the Standardization Reform Program issued by the 82nd meeting of the State Council. The Program is the milestone for Chinese standardization.

From now on the major work is to implement the Program issued by the State Council. Representative from the SAC explained the Program

from four aspects. First, emphasize the necessity and urgency. Standardization is fundamental for economic development which can be beneficial to from premier social benefits. Second, clearly put forward the overall requirement for reform. Streamline administration and delegate power to the lower levels. Connect with international standards and management in a uniformed way. Third, raise the measures of reform set up high authority mechanism, simplify mandatory standards, optimize recommended standards, and cultivate group standards. Higher standard is necessary for improve international level. Fourth, organize how to implement the Program.

Step by step and coordinate related missions in the same time.

By listening to the overall reform methods, representatives have deeper understanding about the national reform progress, and will actively help the industry to implement the Program and reform in a more efficient way. Zhang Jianwei, CEO of Shua, Deputy CEO of Haojiating Zhang Jiaxiang claimed that enterprises should emphasis on building up standards, actively engage in national standards and industrial revision on standards. The future sports industrial standards will meet the requirement by the society as well as the industry needs.



# Policies Help to Start the Golden Age



Oct. 2014, the State Council issued the “Guiding Opinions on Speeding up the Development of Sports Industry and Promoting Sports Consumption”, which set up the goal of five trillion Yuan by 2025. Local governments also issued related beneficial industrial policies. Besides which capital market is ready to enter like the football area. The golden era is opening very soon.

## Local Policies Heat up Sports Consumption

In May, Hebei Provincial Government issued Guiding

Opinions on Speeding up the Development of Sports Industry and Promoting Sports Consumption. By 2025, average sports ground will reach to two square meters, regular exercisers will be over 270 million, overall industry size will be over 300 million Yuan. Major initiatives include, first, cancel executive approval on commercial and social sports competitions which will be authorized to social sports organizations. Hebei Sports Industry Association is established to guide the development. Second, under the background of 2022 winter Olympic, Zhangjiakou and Chengde will widely develop ice

sports though building venues and constructions of stadiums for the Olympic, like Chongli County. Third, by 2025 every regional city should be high standardized sports center and fitness center. In the meantime establish multi-functional stadiums and jogging and bicycle tracks. Establish 15 minutes fitness circle and realize 100% coverage. Fourth, stimulate development of Beijing Tianjin Hebei fitness zone, development outdoor sports like rock climbing, water games, hiking, X-sports, camping, drifting, horsing, and aviation. Fifth, reduce 15% capital gain tax on companies that do sports cultural industry and 3%



less on business tax, also, reduce tax on transfer of technology and corporate income tax for those sports companies. Sixth, establish province level public fund for stadium construction and subsidy on county stadium construction.

On 1st of June, Qinghai Province issued their Guiding Opinions on Speeding up the Development of Sports Industry and Promoting Sports Consumption. In the next decade, Qinghai sports will reform, guided by the market, promote healthy life, provide environment for innovation, assist sports industry, and increase public sports related services and products and sports diversification in order to meet the public demands. By the end of 2025, supporting projects will be 100, province level sports stadiums reach to 20, automobile and motorcycle camps reach to 100, sports tourism projects reaches to 50. Employment

opportunities will be 15000.

The overall industry market will be 10.5 billion Yuan. Public sports service system will be further strengthened, average sports field will be two square meters, 15 minutes fitness cycle will be built, new sports community will cover 100% and sports field coverage will be 100% for all country, city, executive community and villages. Awareness of healthy will be strengthened, combining sports into daily life, enable everybody to exercise. Regular exercisers will be 2.24 million, accounts 35% of the whole population of the province, and 15,000 mentors.

On 23rd of June, Jiangsu Provincial Campus Football for Teenagers Meeting passed Guiding Opinions on Promoting Campus Football for Teenagers. The Opinion raised a lot of initiatives that can be implemented. By 2020, there will be

over 100 natural grass football fields, 1000 football schools, and 10000 registered campus football players. It is required by the Ministry of Education of Jiangsu Province that football will be compulsory course by every school. Football featured should have at least one football lesson each week, more than three football themed outdoor activities. Optional football lesson will be set in high school with authorized teachers in order to build campus football culture.

On 23rd of June, Shanghai also passed the Guiding Opinions on Speeding up the Development of Sports Industry and Promoting Sports Consumption for Shanghai. The Opinions states that Shanghai will become a worldwide first class sports center, holding important international competitions, allocate sports resources, and promote sports innovations. By 2025,





Shanghai sports industry size will be 300 billion Yuan, sports services industry accounts 60%. The meeting also states that the government will play more roles in developing sports industry by transferring governmental functions and taking more responsibilities in public sports services. Promote sports industry function, reallocate resources, and improve industrial structure. Enlarge market supply, build more small to medium stadiums, fitness centers, jogging tracks, outdoor bases, and create more market entities. Utilize development environment, stimulate

public sports service platforms.

#### Investment Boom Starts Golden Age

Wanda group wants to be top of the world for sports industry in 2015. The Chairman of Wanda, Wang Jianlin said the following mergers will be three sports companies. By finishing these mergers, Wanda will be the number one in the world sports industry. Besides, Wanda requires their projects to be held in China and control property rights and marketing rights of certain

sports competitions.

Guirenniao and Hoop China co-set sports industry fund which focus on O2O, sports training, and personal fitness services on 19th of Jan. 2015. Suning becomes the sponsor for Guosen Shuntian football club of Jiangsu. Jingdong signed five year strategic contract with Chinese Super League. Alibaba bought 50% share of Hengda with 1.2 billion Yuan.

(Excerpts by Zhang Shuguang)

## The Cheerful Prospects of the Development of Chinese Women Sports Market



According to sports research firm Repucom, during 2011 to 2014, women's football attracts more attention from 16% to 21%, more than 200 countries broadcast at least one match and sponsors invest more than before. Total rewards increased from 100 million US dollar to 136 million US dollar.

Take the example of FIFA Women's World Cup, the whole women's market is absolutely valuable. NIKE, UA, Adidas and other international brands focus and invest more on this market. Chinese sports brands should also pay attention to this potential market as well.

The Reason Why Chinese Brands do not Pay Attention to Women's Market

First of all, women's level of professional sports is quite far away from men's, the investment of

commercial packaging may not be returned very soon, in another word, the return may be negative for a long term. So sponsors hesitate to invest which creates a vicious cycle.

Second, traditional culture makes people connect sports with men. Sports are simply regarded as competition sports, women are regarded as grace and intelligence rather than sports that are very sexy lacked. Under this culture, most companies are not comfortable and adaptive to invest in women's market.

Last but not the least, domestic companies over emphasis on competitive sports rather than women specific professional sports market.

The Potential of Women Sports Market

Repucom issued a report about women's sports before, it is growing

globally and the role of women sports is more and more important. By taking the sample of Americans age from 30 to 49, women spend 188 US dollars annually on sports equipment, while men's spending is \$178. Through the data we can see that non-competition women sports market demand is larger than men's.

Besides, the value created by professional women sports like Yoga is considerably huge. Lululemon is famous in Yoga brands, its annual sales per square meter is \$20,800, just next to Apple store and Tiffany's. Nike and Adidas strongly taking the market share after then. Maybe Chinese brands should also take the advantage and develop some featured products to make profits.

The consumer base is hug in China, except competitive sports, casual women's sports goods are with great potential that can be developed deeply. International brands already started to develop this particular market and it is time for Chinese brands to do something. Mike Regh, Deputy President of Repucom said that women's sports will be developed fast and many international brands saw this opportunities and potential profits. Chinese brands should also focus on taking some market share.

(Source:Yutang Sports)



# Global Weight Loss Market Is Expected to Reach \$206.4 billion in 2019



In the research report of American institution called MarketsandMarkets, the market value of fitness and weight loss market is 148.1 billion US dollars, 206.6 billion by 2019, compounded annual growth rate is 6.9%. The market includes fitness equipment, surgery medical equipment, diet weight loss services. Diet weight loss taking the majority share of the market in 2014, reasons are growing population of obesity, technical improvement, and increased awareness of health.

By grouping of regions will be northern America, Europe, Asia and other markets. Northern America take the greatest share of obesity weight loss market because of

growing obesity people, children obesity, government assistance, changing life style, increased fitness clubbers and technology improvement. However, the research of Markets and Markets shows in the next five years, the compounded growth rate of Asia will be highest, because of increased obesity, diabetes, lack of sports, more disposable income and lower cost of obesity surgery.

On the other hand, the cost of diet weight loss market is growing and deceptive marketing strategy hinders the global market to grow. According to research of NPD, the Americans who are on diet weight loss is lowest in 2014, only 19%, it was 20% in 2013, it is the lowest in

recent 30 years research history by NPD. The percentage of diet people is highest in 1991, almost one third of people were on diet by then. The decrease creates problems for the 61 billion US dollar market. Chief Analyst of NPD, Harry Balzer told CBS Money Watch that Americans are changing their attitude on diet and the percentage is decreasing for a while. People are more focus on healthy food rather than diet, like organic food and whole grain. It is easier to eat healthy rather than on a diet. Exchange favorite cookie with whole gain flour. Americans are more tolerant to becoming a little bit fatter.

(Source: MarketsandMarkets  
Translated and Edited by Zhang Shuguang)

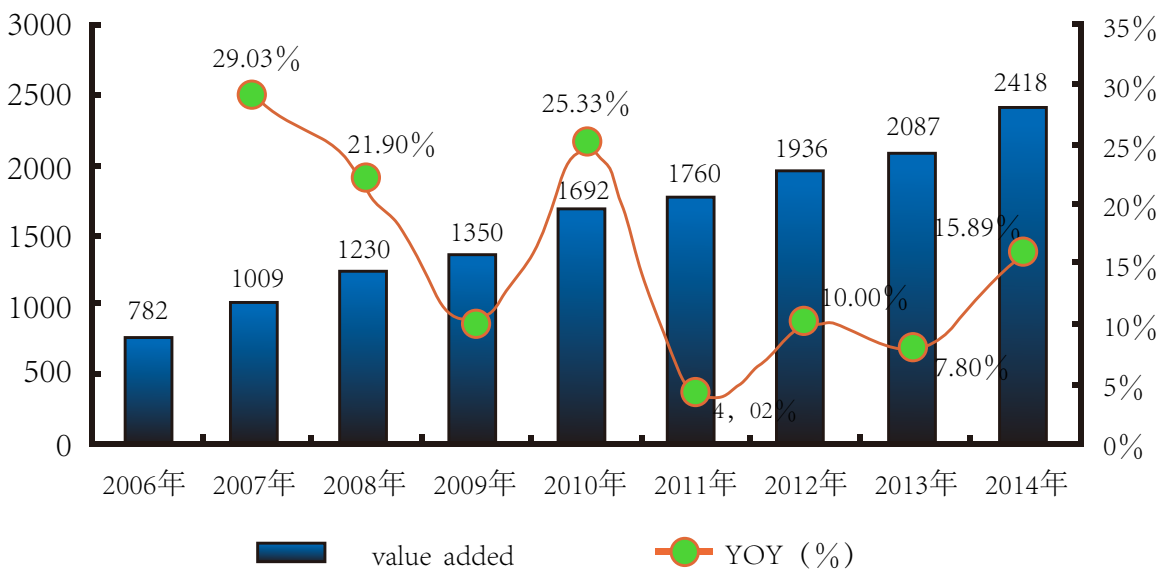
# The 2014 White Paper of sporting goods industry (Handpicked)

## 1 General Development of Sporting Goods Industry

### 1.1 Industrial Scale Is Increasing and Growth Rate Is Rising again

According to the data from the General Administration of Sport of China, in 2006-2014, domestic sports goods industry value added is increasing to 241.8 billion Yuan. The speed is slowing in 2010 but reversed to normal since 2014 due to high inventory and cost, and low net profits.

Table 1: 2006-2014 value added and growth rate of Chinese sporting goods industry (in 100 million Yuan)



Notes: 1 value added means the sum of value created during manufacturing and fix asset transfer value. Directly reflects the final value one industry or company creates to the society. The formula is: value added=payment of labor + net production tax + fixed asset depreciation + operating surplus. All the value added of every industry will be the GDP.

2 2009-2014 data is estimated based on past compounded growth and industry changes.

(Source: qianzhan.com)

From the aspect of industry segmentation, Sportswear, sports shoes accumulative total sales income of public companies in 2014 is 13.254 billion Yuan and 13.177 billion Yuan respectively, year-on-year growth of 11.00% and 11.00% respectively. Sports ball product manufacturing industry sales revenue maintains steady growth, is 17.435 billion Yuan, up 9.86% than one year before. Training fitness equipment manufacturing industry and sports protective gear manufacturing industry sales revenue has a big increase from 32.434 billion Yuan to 12.973 billion Yuan respectively. Outdoor market maintain a certain speed of growth. Retail sales reached 20.08 billion Yuan, 11.25% more than a year earlier.

Eight listed companies' accumulated sales of sportswear went down 16.58%. Shoes fell 16.12%, training fitness equipment fell by 3.33%, sports protective gear down 4.24%, ball product and outdoor goods grow 25.32% and 24.31% respectively. In 2014, all segments sales have risen from 2013, sports protective gear manufacturing industry grew by 47.07%, training fitness equipment manufacturing industry grew by 14.85%, shoes and clothes they increased by 17% and 11% respectively, outdoor products rose 11.25%, ball product manufacturing industry grows the least fast which is 9.86%. Compared with 2013, 2014 sales situation is better.



Table 1: 2012-2014 Chinese sports goods industry segment revenue (in 100 million)

Segment (in 100 million Yuan)	2012 年	2013 年	2014 年	Growth rate YOY
Eight listed companies' accumulated sales_sportswear	143.14	119.41	132.54	11.00
Eight listed companies' accumulated sales_sports shoe	134.28	112.63	131.77	17.00
Eight listed companies' accumulated sales_ball	126.63	158.69	174.35	9.86
Eight listed companies' accumulated sales_training equipment	292.15	282.41	324.34	14.85
Eight listed companies' accumulated sales_protective gear	92.12	88.21	129.73	47.07
Outdoor	145.20	180.50	200.80	11.25

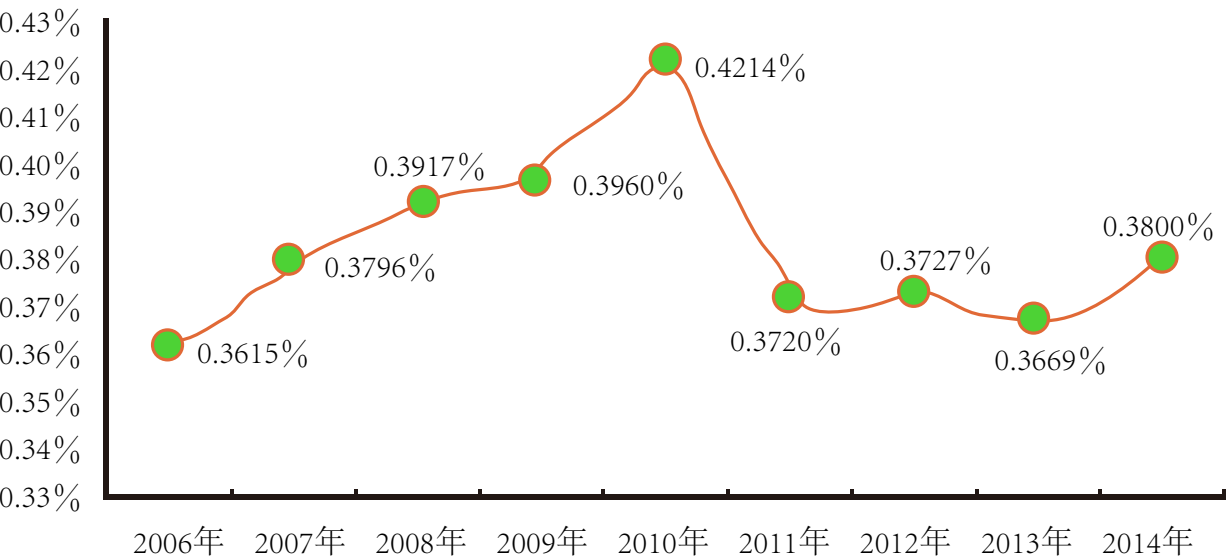
Notes: the eight public listed companies are: Lining.ANTA.China Dongxiang.Xtep.Peak.FLYKE INT'L .MEIKE INT'L .361.

(Source:qianzhan.com)

1.2 Position in GDP Is Expected to Improve

From the perspective of the national economy status: 2006-2014, the status of sports goods industry in national economy maintained at about 0.4%, the share of sports goods industry in 2014 GDP is 0.38%, rose slightly compared with a year earlier, but overall, advantages of China's sports goods industry in GDP has not been fully reflected, the proportion of GDP is below 0.5%. Along with diversified demand for sports goods the industry market capacity will further expand, and position in the national economy will be improved.

Table 1:2006-2014 Chinese sports good industry's share in GDP(in %)



Note:2009-2014 data is estimated based on past compounded growth and industry changes.

(Source:qianzhan.com)

1.3 Increased Market Concentration

Currently, domestic markets mainly have sporting goods brands including Nike, adidas, Lining and ANTA, Xtep, etc. They have experienced exploration and development after a long time in domestic market, has established a relatively perfect production and marketing network and occupied the most of the domestic sporting goods market. In the fierce market competition, famous brands gradually gained the upper hand, annual shipments increased year by year, the market share is becoming more and more, further squeezing the survival space of small business in the future.

1.4 Cluster Effect Is Apparent

From the point view of provinces and production, sports goods industry cluster mainly concentrated in Guangdong, Fujian, Jiangsu, Zhejiang, Shandong, Beijing, Shanghai, mainly in these seven provinces (municipalities), and the concentration rate is more than 85%. From the point view of density of enterprise, sports shoes are mainly concentrated in Fujian jinxing, Guangdong Dongguan, Cixi in Zhejiang, Jiangsu Kunshan. Sports clothes are mainly concentrated in Fujian Shishi, Zhongshan in Guangdong, Zhejiang Haining. Sports equipment mainly concentrated in Fuyang, Zhejiang Cangnan, Jiangsu, Yangzhou, Taizhou, Jiangsu, Hebei Cangzhou. Basket, volleyball and football supplies mainly concentrated in Shanghai, Tianjin, Fenghua, Fuyang, Zhejiang and Fujian Changtai, Yonglin, etc.

1.5 Technology Promotes Industrial Development and the Market Prospects Is Cheerful

As a large number of scientific and technological achievements applied in venues service, equipment manufacturing, media development, and sports competition, since 2000, the global growth rate of over 200 sports equipment is 19.4%, for example model aircraft, clothing, cycling, diving, ocean modeling, mountain climbing, fitness rehabilitation equipment. Technological contribution rate is above 82.4%. With the advent of Internet era, the sports industry will face more challenges and opportunities.

2 The Export and Import of Sporting Goods Industry

Data from the Customs show that shoes total export and import volume is 20.085 billion US dollar in 2014, trading surplus 17.859 billion US dollar. Import 1.113 billion, 1.81% growth, and export 18.972 billion with 8.29% more than last year.

Table 2.2013-2014 Sports goods export and import ( in ten thousand US\$(%)

	2013 年	2014 年	2014 年同比增长 (%)
Import	109324.11	111297.69	1.81
Export	1751959.00	1897169.20	8.29
Total	1861283.11	2008466.89	7.91
Surplus	1642634.89	1785871.51	8.72

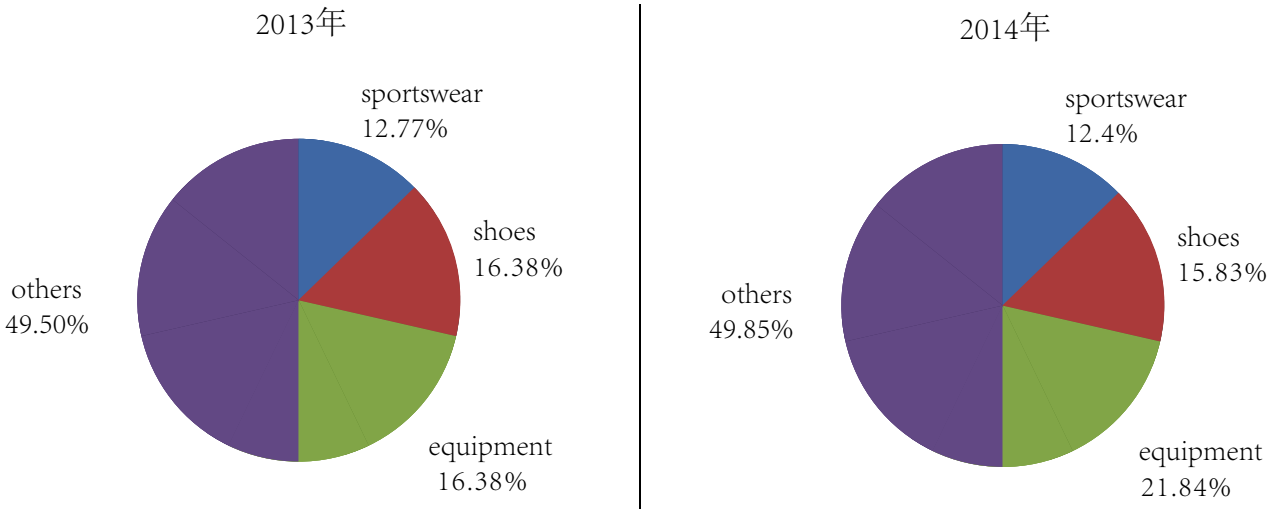
Data source:qianzhan.com & China's General Administration of Customs

2.1 Export Market Analysis

China sports goods industry exports volume was \$17.52 billion and \$18.972 billion respectively in 2013 and 2014. In terms of export product structure type, sports equipment (including training, fitness equipment and ball) exports accounted for the proportion of total exports to 21.84%, up 0.49% increase YOY. Athletic shoe exports accounted for 15.83%, the proportion continues to fall. Apparel exports accounted for 12.48%, dropped 0.29% from a year earlier, and other related sports product (golf equipment, fishing rod, water sports equipment, the racket, skateboard, other ski equipment, table tennis equipment and instruments, other race bike, other sports or outdoor play equipment, etc.) exports accounted for 49.85%.

Table 3: 2013-2014 China sports goods industry export product structure(in %)





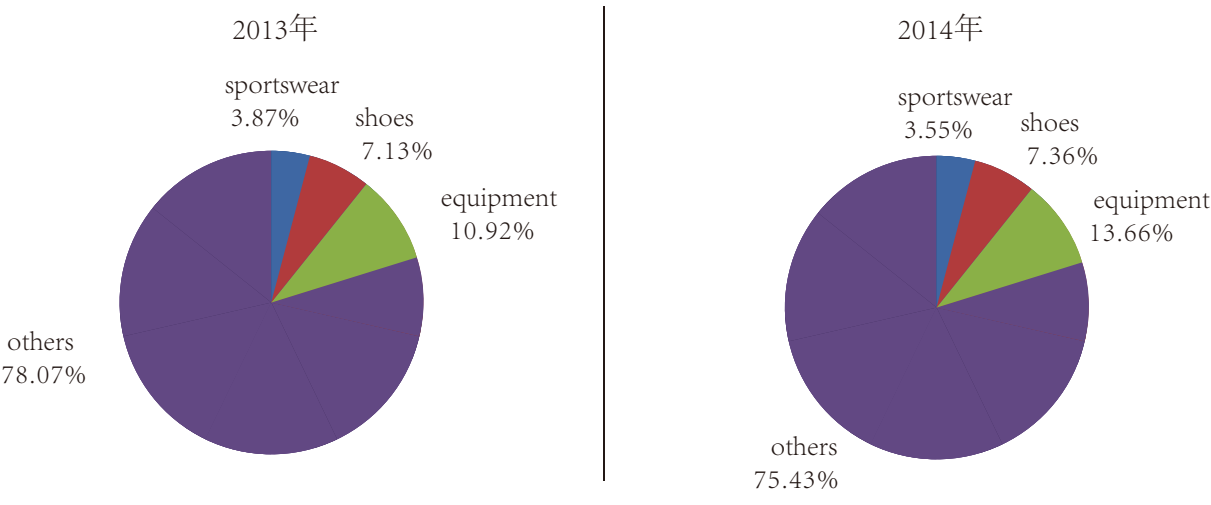
Data source:qianzhan.com & China's General Administration of Customs

2.2 Import Market Analysis

China sports goods industry exports volume was \$1.093 billion and \$1.113 billion respectively in 2013 and 2014.

In terms of product structure, in 2014 sports equipment (including training, fitness equipment and ball) imports accounted for the proportion of total imports to 13.66%, up 2.74% from a year. Athletic shoe imports accounted for 7.36%, compared with the previous year proportion is increased. Apparel imports accounted for 3.55%, dropped 0.32% than a year earlier. Other related sports product (golf equipment, fishing rod, water sports equipment, the racket, skateboard, other ski equipment, table tennis equipment and instruments, other race bike, other sports or outdoor play equipment, etc.) imports accounted for 75.43%.

Table 3: 2013-2014 China sports goods industry import product structure(in %)



Data source:qianzhan.com & China's General Administration of Customs



3 Suggestions for Sporting Goods Industry Development

In Oct. 2014, Guiding Opinions on Speeding up the Development of Sports Industry and Promoting Sports Consumption is issued by the State Council, and mass fitness became a national strategy. It can be predicted that future market will be upgraded, and the industry will be on the right track of Value Creation. In order to take the opportunity the domestic companies should be prepared on the following aspects.

Suggestion one: enhance the development of competition resources.

In the great pattern of development of sports industry, sports competition and performance is regarded as the pyramid spire which playing a leading role for the whole industry chain. At present, commercial value of competition resources has not been fully developed, low marketization are

existed in events, sports stars and other sports resources and contents.

Suggestion two: promote sports service sector.

According to estimates, within China's current sports industry structure, 80% is sporting goods, 20% is sports service. Refer to American sports industrial structure, the sports goods accounted for only 30%. At present our development level is not high, the gap with the developed countries are relatively large

Suggestion three: Optimize sporting goods, and build international brands.

In order to obtain further development in the competition, sports goods enterprises in China should mostly strengthen promoting branding and competitiveness in addition to technology innovation, adjust product structure, and improve management

level.

Domestic sports goods enterprises should learn successful promotion experience of foreign well-known enterprise, set up "brand awareness", creating a few well-known brands by strengthen quality of the product, cultural connotation, trademark design, science and technology content, the modeling of the trademark, marketing strategy, price strategy, channel strategy and service strategy), media, public relations work in many aspects and the allocation of resources.

Suggestion four: improve operational framework.

Enterprises should break through original management methods and innovate. Renew the idea and create enterprises brand and develop brand loyalty in order to improve market competition.