a) Stimulate the upgrading of process technology; (EFCP/FANDO*)

b) Select Canadian firms and encourage them to establish direct industrial co-operation ventures with the F.R.G. fish marketing and processing industry; (EFCP*/FANDO*/Hamburg)

c) Ensure that Canadian exporters are fully aware of the F.R.G. fish market requirements for quality, labelling, pricing, distribution channels, regulations and product presentation; (EFCP*/FANDO*/Hamburg)

d) With a Canadian national stand at ANUGA 1983, select and introduce new Canadian exporters to interested German buyers; (EFCP*/Hamburg)

e) Report to the Canadian fish industry, on a timely basis, on regulatory developments in the EEC and Germany that may affect access for Canadian fish products, and consult German authorities on related procedures; (Hamburg/Bonn/BREEC*)

f) Organize seminars in key F.R.G. importing centres to introduce new Canadian quality control measures. (EFCP*/FANDO*/Hamburg)

7. SPORTING GOODS

The Opportunity

The F.R.G. is an affluent and discriminating market with substantial discretionary income for leisure-time pursuits. It is an excellent market for sporting goods, which grew by 12 per cent from 1979 to 1980 and by 4.2 per cent in 1981 from 1980. Imports accounted for about 40 per cent of the demand in 1981.

In that year, German domestic shipments of sporting goods reached DM 4.4 billion, of which DM 900 million were exported. Imports of DM 2.2 billion were 10 per cent more than in 1980. Although excellent growth has been shown since the mid-1970s, Canadian exports of sporting goods to the F.R.G. remain modest in their absolute value: in 1981 sales totalled $4.4 million, down from $5.2 million in 1980. (The latter figures do not include sales of jogging suits, swimwear, gymnastic shoes, ski boots and camping equipment.)

The German sporting goods market can be characterized by the following points:

i) The domestic German supplier industry is dominated by small and medium-sized businesses, with the exception of some very large manufacturers (Adidas, Puma).

ii) Germans are recreation-oriented and enjoy increasing leisure time.

iii) Until recently, sporting goods were retailed primarily by specialized stores. More and more nontraditional outlets now retail sporting goods of lower quality. At those latter outlets, emphasis is often on moving large volumes of price-sensitive goods in response to current fads.

iv) Many of the active sporting associations channel the demand of their members toward highly-specialized outlets where participant-clients demand superior quality, with price a secondary consideration.

v) Although Canada produces a range of indoor and outdoor goods, and for both the warmer and the colder seasons, it is the products associated with winter sports that have traditionally represented Canada's major strength in the German market. An exception is in alpine skiing equipment, where Canada has very limited potential due to the pre-eminence of European supplies. Hockey equipment from Canada has a premier reputation in the world and dominates the F.R.G. market, although future growth is anticipated to be less spectacular than in recent years. Some associated marketing opportunities exist for winter outerwear. Since Canadian styling is designed primarily for the North American market, it is necessary to identify acceptable European styles and design separate lines in order to successfully penetrate this market.

In addition to their established capabilities in the winter sports area, Canadian firms are able to respond competitively to market requirements for gymnasium, bodybuilding, fishing, camping and hiking equipment. Nevertheless, Canada to date has made only minor inroads into the DM 6-billion sporting goods market in the F.R.G.

The Canadian Sporting Goods Industry

The Canadian sporting goods industry consists of nearly 200 manufacturing establishments employing 7,000 workers. In 1981, these firms produced consumer goods valued in excess of $475 million, of which 21 per cent ($102 million) was exported. The product range includes hockey equipment, swimming pools, gymnasium and fitness equipment, archery, billiards, scuba equipment, bicycles, camping-hiking and skiing equipment, and fishing gear, etc. Exports of many of these products have averaged an annual growth of 32 per cent since 1977, reflecting trends toward increased leisure-time pursuits and physical fitness activities and the recognition of the superior quality of products manufactured in Canada.

Recent Canadian Marketing Activity

Two of the world's largest sporting goods trade fairs are held in Germany: ISPO in Munich and SPOGA in Cologne. Canada's unbroken participation in ISPO since 1976 has contributed toward its reputation as a competitive supplier of quality products. The national stand at ISPO, paralleled by PEMD support for individual SPOGA participation, has proven exceptionally profitable for Canadian exhibitors. The Canadian stand at ISPO Spring is considered the world's premier display of ice hockey equipment.

The more active Canadian exporters have developed excellent agency relationships with the major European distributors of sporting goods. ISPO Spring '82 attracted 34 Canadian exhibitors, who had $5.5 mil-

* Refer to Glossary of Abbreviations, page 39