

India's trade balance in sports goods sector turns into deficit in 10 years

India's sports goods manufacturing sector provides employment to around 5 lakh people and it is one of the export-oriented sectors as 60% of its production is exported. The sector covers a wide gamut of products ranging from toys, games and sports goods. Meerut and Jalandhar are the major sports goods manufacturing hub in India. This article explores India's recent trade performance in certain sports goods such as tennis rackets, gymnasium equipments, skate boards and goods of other outdoor games.

India's trade balance in these sports goods deteriorated from surplus to deficit in the last 10 years starting 2010-11. From a surplus of USD 16 million in 2010-11, India's trade balance in this sector turned into a deficit of nearly USD 53 million by 2019-20. Faster growth in import of these goods than exports is the deterioration of trade balance in this sector. During this period, exports grew at a compounded annual growth rate of 2%, while imports grew at 6%. As the following table shows, India's exports of sports goods grew from USD 134 million in 2010-11 to USD 157 million in 2019-20, while imports grew from USD 117 million to USD 206 million during this period.

Gymnasium equipments account for around 61% of imports of sports goods, while tennis rackets contribute another 9% to imports. China accounts for 75% of the total imports of gym equipments by India, while USA, Taiwan and Italy are other major sources of imports. Japan and Singapore are other sources of sports goods for India.

Gymnasium equipments contribute 10% to exports, while sports gloves and water surfing boards account for 3% and 2% respectively in exports. UK, USA and Australia are the top destination for export of sports goods from India.

The world export market for these sports goods is pegged at USD 32 billion, of which India's share is hardly 0.4% with a rank of 23rd. China, Taiwan, USA and Germany are the top exporters, with a share of 49%, 6%, 5% and 3% respectively in world exports. USA, Japan, Germany and UK are the major importers of these goods, with more than 43% share in world imports.

The COVID pandemic has hurt the export performance of this industry, which is reeling from poor demand in the overseas market. Also, small players in this sector are facing rising cost of raw materials, which are mostly imported from China, rising wage and logistics cost. Majority of these export units are located in Jalandhar and Meerut and they have to rely on road or rail transport to send their goods to Mumbai or Gujarat port for shipping to foreign countries. The Sports Goods Export Promotion Council (SGEPC) supports export-oriented manufacturers in this sector since its inception in 1958. Government of India supports exports from this sector by providing duty drawback rates for various goods.

India's Foreign Trade in select sports goods (fig. in USD million)							
HS Codes	Goods	2019-20			2010-11		
		Export	Import	Trade balance	Export	Import	Trade balance
420321	Sports gloves etc.	5.3	0.78	4.52	15.85	0.34	15.51
950611	Snow-ski equipment	0.05	0.03	0.02	0.08	0.02	0.06
950612	Snow-ski equipment	0	0.01	-0.01	0.15	0.06	0.09
950619	Snow-ski equipment	0.45	0.12	0.33	0.97	0.31	0.66
950621	Water skis/surf boards etc	0.01	0.01	0	0	0	0
950629	Water skis/surf boards etc	3.13	3.8	-0.67	3.07	0.97	2.1
950631	Golf equipment	0.02	2.18	-2.16	0.04	1.99	-1.95
950632	Golf equipment	0.13	1.77	-1.64	1.05	0.66	0.39
950639	Golf equipment	0.19	0.74	-0.55	0.64	0.76	-0.12
950640	Miscellaneous Sports goods	4.8	2.21	2.59	0.11	1.41	-1.3
950651	Tennis/etc rackets	0.09	2.55	-2.46	0.01	1.83	-1.82
950659	Tennis/etc rackets	1.07	18.03	-16.96	0.1	7.1	-7
950661	Miscellaneous Sports goods	0.5	3.54	-3.04	0.23	1.41	-1.18
950662	Miscellaneous Sports goods	16.04	5.16	10.88	26.49	3.53	22.96
950669	Miscellaneous Sports goods	20.78	3.99	16.79	22.37	3.08	19.29
950670	Ice/roller skates	0.27	3.53	-3.26	0.01	0.72	-0.71
950691	Gymnasium/etc equipment	15.91	126.77	-110.86	7.8	49.16	-41.36
950699	Miscellaneous Sports goods	89.22	31.14	58.08	55.38	44.45	10.93
	Total	157.96	206.36	-52.92	134.35	117.8	16.55

Source: Ministry of Commerce, GoI, Compiled by MVRDC

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