3. SPORTS EQUIPMENT MANUFACTURING SECTOR

NITI Aayog released a report titled “Realising the Export Potential of India’s Sports Equipment Manufacturing Sector”, presenting a comprehensive assessment of India’s manufacturing capabilities, and global market opportunities

1.Introduction

1. The global sports sector is emerging as a high-growth industry driven by rising health awareness, professional sports expansion, and increasing disposable incomes.
2. Within this ecosystem, sports equipment manufacturing presents a significant opportunity for export-led growth.
3. India, with its strong MSME base and established clusters, is well-positioned to leverage this opportunity but requires structural reforms to enhance competitiveness.

2.Global Market Opportunity in Sports Sector

Expanding Global Demand

1. The global sports goods market was valued at around 700 billion dollars in 2024 and is projected to exceed 1 trillion dollars by 2036, reflecting sustained long-term growth.
2. This growth is driven by increasing participation in sports, fitness awareness, and the commercialisation of global sporting events.
3. The rising middle class in developing economies is further boosting demand for sports apparel, footwear, and equipment.

Sports Equipment Segment Dynamics

1. The sports equipment segment alone accounts for approximately 140 billion dollars and is expected to reach around 283 billion dollars by 2036.
2. Demand is increasing for technologically advanced, durable, and performance-oriented equipment.
3. Innovation, branding, and quality certification are becoming critical determinants of competitiveness in this segment.

3.India’s Position in Sports Equipment Manufacturing

Domestic Market and Production Base

1. India’s domestic sports goods market is estimated at around 2.5 billion dollars, with sports equipment contributing approximately 0.5 billion dollars.
2. This indicates significant untapped potential for domestic expansion as well as export growth.
3. Increasing sports participation, government initiatives like Khelo India, and rising fitness awareness are expected to drive demand.

Export Performance and Global Share

1. India exports around 275 million dollars worth of sports equipment annually, accounting for only about 0.5 percent of global exports.
2. This low share highlights the gap between India’s production capacity and its global market penetration.
3. There is considerable scope to enhance export competitiveness and diversify markets.

Cluster-Based Manufacturing Structure

1. Manufacturing is concentrated in clusters such as Jalandhar in Punjab and Meerut in Uttar Pradesh.
2. These clusters benefit from established supply chains, skilled labour, and traditional expertise.
3. The sector is predominantly MSME-driven, with nearly 90 percent of production undertaken by small and micro enterprises.

4.Key Challenges Affecting Export Competitiveness

High Input Costs

1. High customs duties on critical raw materials such as carbon fibre, EVA foam, and polyurethane increase production costs.
2. This reduces price competitiveness in international markets.

Certification and Quality Constraints

1. Meeting international sporting standards requires costly certification processes.
2. Many MSMEs lack the financial capacity to obtain such certifications, limiting export opportunities.

Logistics and Infrastructure Bottlenecks

1. Inefficiencies in logistics increase transportation costs and delivery times.
2. Lack of proximity to ports in existing clusters further adds to export costs.

Technological Limitations

1. Limited access to advanced manufacturing technologies restricts innovation and quality improvement.
2. Automation and precision manufacturing are still underdeveloped in many units.

Weak Global Integration and Branding

1. Indian manufacturers have limited linkages with global sports brands and procurement networks.
2. Lack of branding and marketing reduces global visibility and competitiveness.

5.Policy Recommendations to Boost Sports Equipment Exports

Enhancing Cost Competitiveness

1. Rationalising import duties on key raw materials can significantly reduce production costs.
2. Lower input costs will improve price competitiveness in global markets.

Strengthening the MSME Ecosystem

1. Expanding access to credit and financial support can enable MSMEs to scale operations.
2. Technology upgradation schemes should be promoted to enhance productivity and quality.

Cluster-Based Industrial Development

1. Developing new greenfield clusters near ports can reduce logistics costs and improve export efficiency.
2. Strengthening existing clusters with modern infrastructure can enhance competitiveness.

Promoting Innovation and Technology

1. Establishing sports technology innovation hubs can foster research and development.
2. Collaboration between academia, industry, and startups can drive innovation in product design and manufacturing.

Improving Quality Standards and Certification

1. Setting up world-class testing and certification facilities within India can reduce compliance costs.
2. Ensuring adherence to international standards will improve global acceptance of Indian products.

Strengthening Global Linkages and Branding

1. Encouraging partnerships with global sports brands can enhance market access.
2. Strategic branding initiatives can improve the global perception of Indian sports equipment.

Conclusion

India's sports equipment sector holds significant potential to become a major contributor to export-led growth. However, achieving this requires a comprehensive ecosystem approach focusing on cost competitiveness, technological advancement, and global integration. With sustained policy support and strategic reforms, India can transition from a marginal player to a leading exporter in the global sports equipment market.

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