

THE BOTTLENECKS, PATTERN AND CHOICE OF PASSWAY ON THE DEVELOPMENT OF SPORTING GOODS INDUSTRY IN CHINA

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INTRODUCTION

The sporting goods industry has been developing rapidly over the past 20 years in China, and sporting goods market is also growing steadily with the coming of the 2008 Beijing Olympics. Data from WFSGI indicates that the output value of the sporting goods industry in China has increased from US\$20 billion in 2000 to US\$50 billion in 2006, up by 150%. Statistics from China shows that the output value of sporting goods industry in China is growing with an annual rate of 17%; the added value was US\$11.9 billion by the end of 2005, accounting for 0.7% of GDP. The sporting goods industry created a great number of jobs, accounting for nearly 0.5% of the total employment in China. Therefore, rapid and healthy development of sporting goods industry is of great importance to China's economy. However, with the rapid development of this industry, bottlenecks are arising. More and more people from both academics and practice become interested in the future and development model of Chinese sporting goods industry. This paper seeks to identify the major problems Chinese sporting goods industry is currently facing and explore possible solutions and development models.

PROJECT OR PLAN

This project is based on research on the current development of sporting goods industry in China. It is designed by three levels: bottlenecks, pattern and passway. First, it analyses the main bottlenecks and identifies their causes. Second, it discusses the disadvantages of the current development model, and makes some comparisons on other models. Third, it proposes a feasible development model, and points out the best passway and main measures to actualize this model.

RESULTS OR EXPECTED RESULTS

This research identifies the bottlenecks for the development of the sporting goods industry in China to be: technology, talent and system and discusses the main causes of this bottleneck after research. The solution lies in appropriate government regulation in this industry, to avoid market failure, as well as complete government dominance. By comparing three types of development patterns, this paper proposes a new pathway for the development of the sporting goods industry in China:

- To establish 2 to 3 state-level science and technology parks (bases) of sporting goods in central cities in China which will be the centre of: talents, R&D, information, marketing and international cooperation;
- to adopt the most preferential policies in the parks to make full advantage of the radiation and Spillover effect brought by industrial cluster as well as manufacturing enterprises scattered over China;
- To realize the specialization of labor and industrial transfer to provide for industrial gradient from central cities to remote areas;
- To promote the upgrading of the industrial structure.

With the new pathway of development, the authors believe that the international competitiveness of sporting goods in China will be improved and the healthy development will be sustainable for a long time.

DISCUSSION

This research presents the theoretical discussion on the proper pattern and pathway for the development of sporting goods industry in China based on the analysis of bottlenecks. Further research shall be conducted into the following matters: degree of the government's intervention, the number of parks to be established, cooperation between the parks and other manufacturing bases and the formulation of preferential policies, etc.

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