



WINTER SPORTS BUSINESS 2021/2022 - ANOTHER CATASTROPHIC SEASON MUST BE AVOIDED

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2020 was an extremely demanding year for the sporting goods trade in Europe, especially for the winter sport sector. Marked by planning uncertainties due to the pandemic, various lockdowns and irrational and often inconsistent travel restrictions, many companies especially SMEs had to fight for their economic existence. In total, the ski sector has lost around 50% of turnover during the period 2020/21.¹ The winter season 2021/22 will now be a decisive one for many companies who will try to recover somewhat from this significant decrease.

While the economy as a whole is showing a first sigh of relief, the sporting goods trade in Europe is still suffering:

- **Some of the urban sporting goods' stores** were able to make up part of the loss in sales from the winter, mainly due to the good demand for **home fitness equipment, bicycles and outdoor sports equipment**. Supply shortages across the sector, however, have limited the recovery.
- But for the specialized stores located in **winter sport tourism areas**, the situation looks very different. 89% of the ski companies recorded an activity loss of up to 50% due to the closure of ski lifts for the 2020-2021 winter sports season. More worrying, 11% registered an activity loss of more than 80%. Even in the countries where ski lifts were open,² 67% of the companies have observed a strong decrease in the number of visitors.
- **Most of these businesses are family-run sole proprietorships** that generate a **massive percentage of sales and rentals in the winter sports market**. In addition, as most of these small stores do not have an e-commerce website, they have not been able to compensate for the loss of physical sales thanks to the boom in online sales during the lockdowns.

¹ FESI 3rd COVID survey: <https://fesi-sport.org/wp-content/uploads/2021/06/Results-3rd-FESI-survey-on-COVID-19-June-2021.pptx.pdf>

² FESI 3rd COVID survey: <https://fesi-sport.org/wp-content/uploads/2021/06/Results-3rd-FESI-survey-on-COVID-19-June-2021.pptx.pdf>

These liquidity bottlenecks of the dealers already have an impact on the upcoming winter season 21/22:

- There are significantly lower orders placed to the industry—primarily supplied by EU manufacturers.
- The resulting negative domino effect could have massive consequences for the world market leaders in the European ski industry - and thus mean the destruction of domestic added value and jobs.

At the European level, very different approaches have been observed over the past 18 months. Against the background of the recent increase in the number of infections and considering the potential localized waves, the winter sports industry wants to draw attention to a few points to prevent the repetition of the consequences outlined above:

1. Freedom of movement is one of the founding values of the European Union. It is still enshrined in Article 3 of the Treaty of the European Union and is a synonym for the basic idea of this community of values. This freedom must not be sacrificed based on uncoordinated national efforts.

=>Demand: Uniform policies must be adopted at the European level to guarantee the effective application of the freedom of movement within EU countries. With the COVID vaccination rate now reaching around 70% all over Europe, it is now time and safe enough to adopt such legislation.

2. The strongest means to combat the pandemic - the COVID vaccines - are now widely available in sufficient quantities all over Europe. In addition to this, COVID safe protocols can be established thanks to testing and tracing, and with the new green certificate. We, therefore, invite public authorities and winter sport stakeholders to work together in order to help the ski sector recover and get back to its normal activity.

3. Skiing and snowboarding are among the most, if not the most, individual sports, practiced with sufficient distance between participants for general health and safety reasons.

Last winter season, the USA and Canada went successfully through the whole winter by the adoption of reasonable, simple, and well-executed distancing measures; in this context, a bigger number of skiers could enjoy the outdoor activity still being safe.

4. Recently, more and more sports events with overcrowded stadiums and music festivals have been successfully organized in full compliance with sanitary measures and without triggering major international contaminations. Therefore, it would be unreasonable to reconsider shutting down again any health-enhancing sports activity.

=>Demand: If the hospitalization rate and the number of deaths continue to decrease as a result of the vaccination process, no further containment measures should be taken that would shut down every day's social and economic life (e.g. lockdown or access restrictions in retail, etc.).

5. Global tourism is one of the most important economic sectors for the EU Member States. Both urban areas and the alpine tourism regions face strong international competition. Due to different national regulations on entry in the catering, hotel, and retail sectors, competition is distorted.

=>Demand: There must be uniform regulations in economic life at the European level to avoid any competitive disadvantages (due to higher effort and/or costs) in the countries.

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- Sport 2000
- Tecnica Group
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- Tyrolia
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About FESI:

Founded in 1960 FESI, the Federation of the European Sporting Goods Industry, is the unique pre-competitive platform representing the interests of the sporting goods industry in Europe, advancing its members' priorities and promoting initiatives that benefit the sector, EU citizens and the society as a whole. FESI represents the interests of approximately 1.800 sporting goods manufacturers (85% of the European market) through its National Sporting Goods Industry Federations and its directly affiliated member companies. 70-75% of FESI's membership is made up of Small and Medium Sized Enterprises. In total, the European Sporting Goods Industry employs over 700.000 EU citizens and has an annual turnover of some 81 billion euro.

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