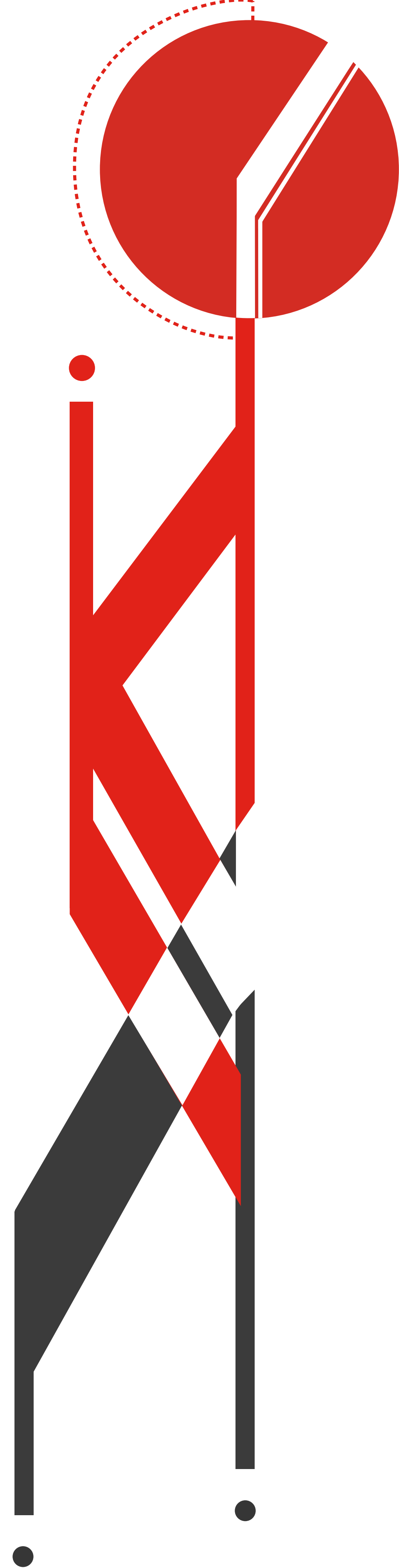




Sports and Leisure Industry

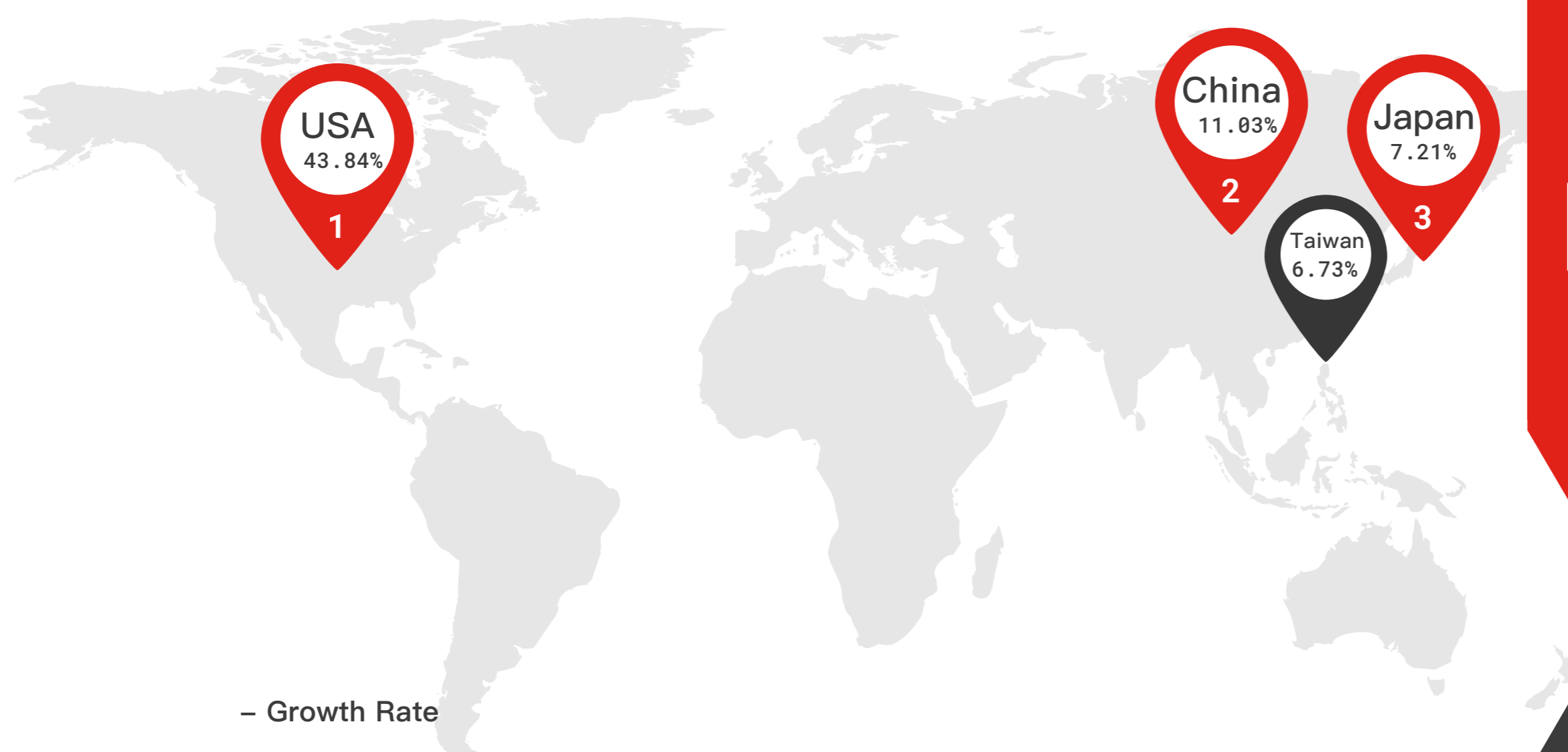
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Taiwan Excellence Products
(2019)



Trends in Taiwan's Sports and Leisure Industry

With the rise of health awareness, the sports market is booming worldwide. In recent years, Taiwan's sports and leisure supply chain and fitness center sector have been consistently on the rise, as has the island's sports service providers. With the 2020 Tokyo Olympics in the offing, Taiwan's sports and leisure industry is set to reap positive benefits. According to the Taiwan Institute of Economic Research, the output of the sporting goods manufacturing industry displayed double-digit growth of 17.26% from January to February 2019. Notably, at the recent 2018 World Cup, 32 countries used sports equipment from Taiwan. In 2019, Taiwan's bicycle exports approached the NT\$10 billion dollar mark, a new milestone in the sports and leisure industry.

In 2018, Taiwan achieved a total of US\$1.94 billion in sporting goods exports, with an annual growth rate of 6.73%. Taiwan's top three markets are the United States (43.84%), China (11.03%), and Japan (7.21%).



Figures(1.1) 2018 Global Sports and Leisure Goods Exports Annual Growth Rate by Country



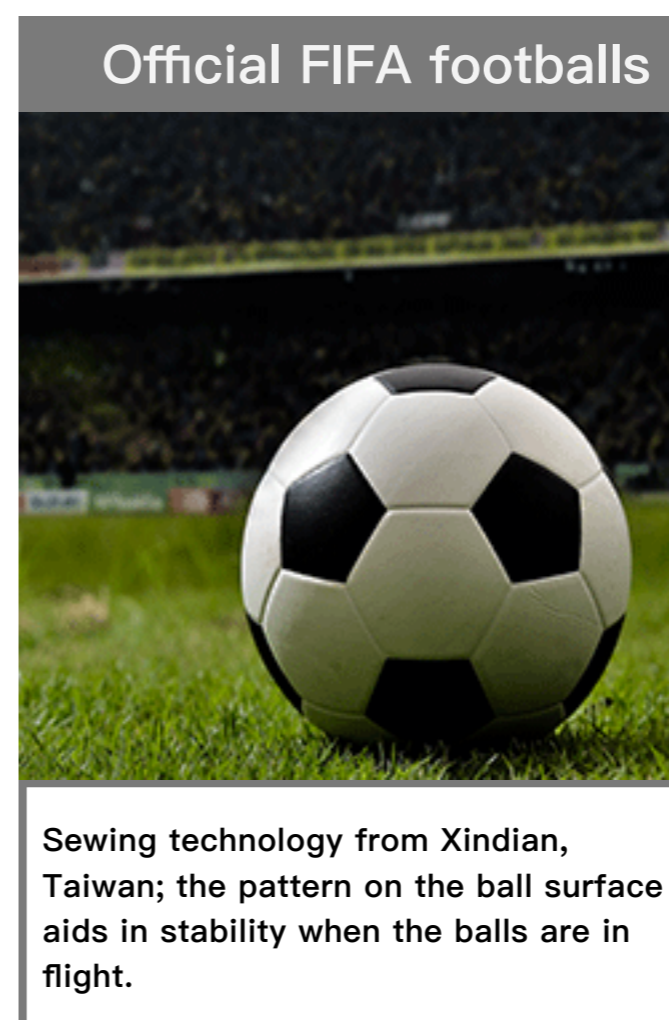
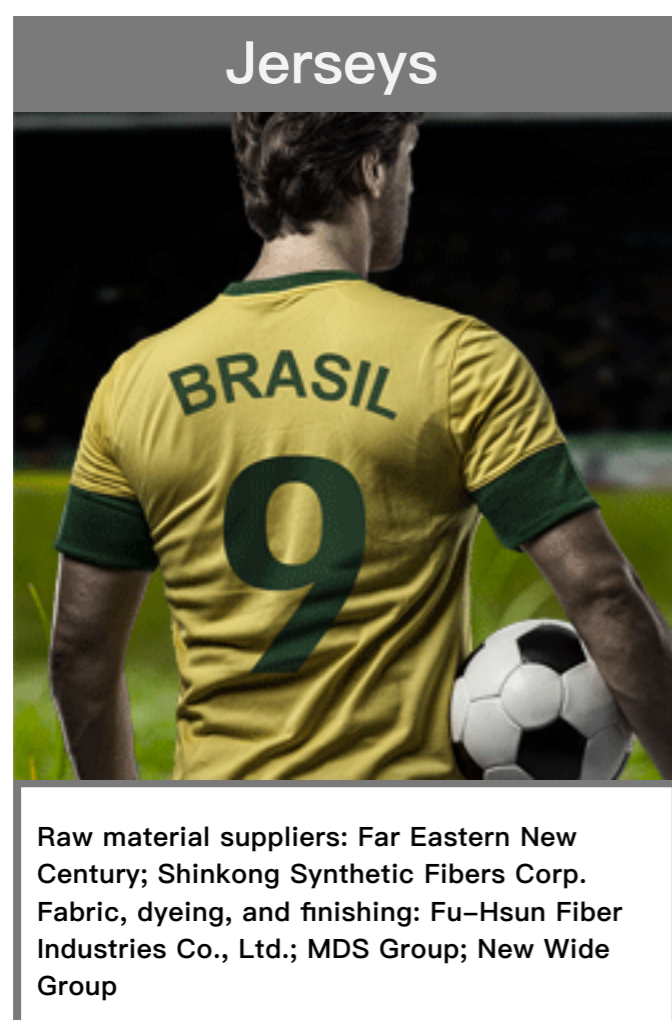
In 2017, global fitness center memberships reached 174 million, and fitness centers generated revenues of US\$87.2 billion worldwide. Total memberships are expected to reach 230 million by 2030.

– International Health, Racquet & Sportsclub Association (IHRSA)



Made-in-Taiwan Jerseys and Football Cleats Dominate the World Cup

Major international events such as the Olympics and the World Cup and many star athletes use sports equipment that is Made in Taiwan. According to a report by Commonwealth Magazine, Taiwanese companies are the exclusive providers of a wide array of sports equipment, including badminton rackets, bicycles, soccer balls, athletic shoes and protective gear, generating a total output value of nearly NT\$500 billion.



Jerseys

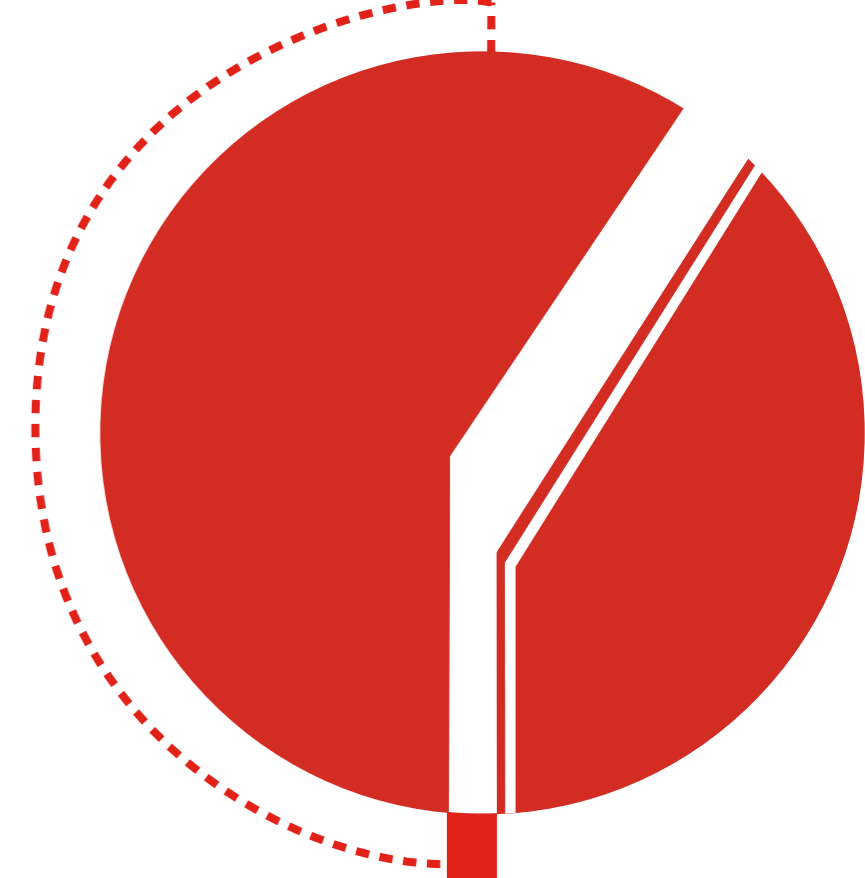
According to a Commonwealth Magazine report, the team jerseys for Brazil, Germany, Sweden, Belgium, Japan, and Egypt came from Taiwan's Far Eastern New Century, Shinkong Synthetic Fibers Corp., Fu-Hsun Fiber Industries Co., Ltd., MDS Group, and New Wide Group. Jerseys made in Taiwan feature strong moisture absorbing and wicking properties, while seamless-weave socks provide maximum comfort.

Sports Shoes

The customers and global partners of Taiwan's shoe industry include almost all top global sports brands, and Made-in-Taiwan basketball shoes alone occupy 58% of the US market share. For the latest FIFA World Cup, three Taiwanese companies — Pao Chen Group, Feng Tay Group, and Tuhuolung Precision Lasts Co., Ltd. — created exclusive shoe lasts for the athletes using precision 3D software.

Official FIFA footballs

The balls in the latest World Cup were specially manufactured by Dragon Way Industries Ltd., which made balls for the FIFA World Cup twice before (in South Africa in 2010 and in Brazil in 2014). They have also made the official balls for the recent 2016 National Cup football games in Europe and the Americas, and the balls for the upcoming Olympic Games. For six years, the balls for the international football games have been manufactured by Taiwanese enterprises.



Taiwan's World-renowned Bicycle Industry — Exports Hit NT\$10 billion

In 2018, the total exports of Taiwan's bicycle industry reached US\$3.23 billion, an increase of 14.7%. From January to September 2019, total exports reached US\$2.64 billion, an increase of 11% compared to the same period of the previous year. The main source of growth was high-value electric bicycles. Taiwan exported 234,000 e-bikes during this period, an annual growth rate of 111%. Total export revenues reached US\$312 million, close to the NT\$10 billion mark, an annual growth rate of 103%.

Europe and North America are the main markets for both e-bikes and conventional bicycles, with the European Union accounting for 50% of total exports, followed by the United States, accounting for 30%.

Bicycle Industry Export Performance in the First Quarter of 2019




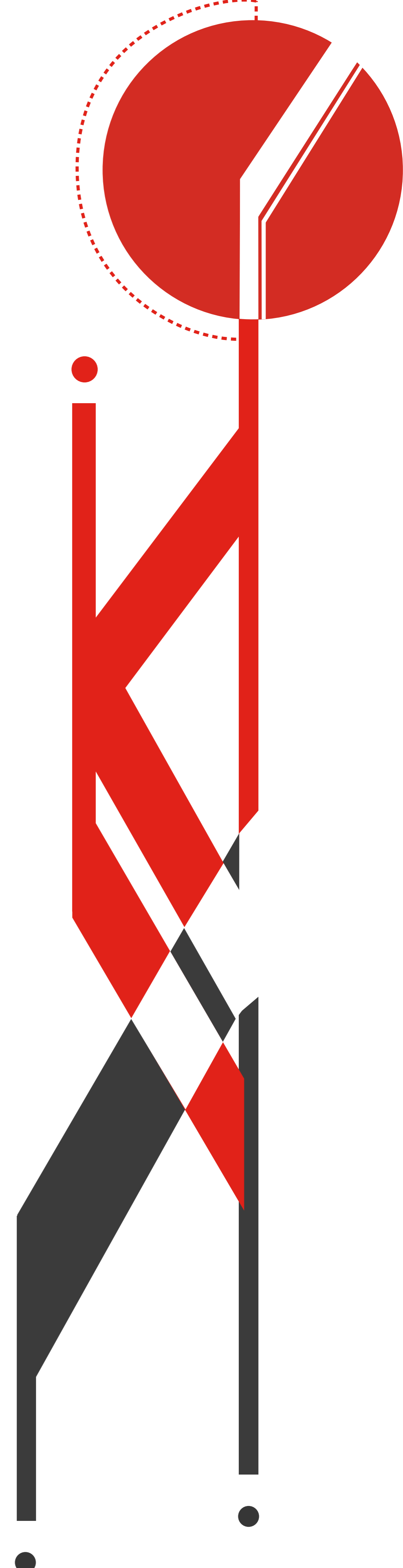
 Bicycles	 Electric bicycles
Export (million units)	Export (million units)
5,87039 1.82 ↓	1,23903 109.84
Export value (USD million)	Export value (USD million)
318 11.05 ↓	169 103.11
Unit price (USD)	Unit price (USD)
543.14 9.39 ↓	1,368.29 3.21 ↓
 Export value of parts US \$333 million 3.60 ↑	

Figure (1.2) — 2019 First Quarter Performance of Bicycle Exports / Taiwan Bicycle Association

A Global Craze for Sports

According to the international survey agency Plunkett Research, the total global annual output value of the sports and leisure related industries was US\$1.5 trillion in 2016. The global sports and leisure industry has grown by 5.7% annually since 2005. At this rate, driven by the Tokyo Olympics boom, total output value of the global sports and leisure industry has a chance of hitting the US\$2 trillion mark by 2020.



Four Major Sports Technology Trends

Quantitative Data



Virtual/Physical Integration

Home Fitness



Gamification and Virtual Social Networking

● Quantitative Data

Wearable devices such as smart watches and smart bracelets can now provide useful information and statistics, by analyzing data collected from built-in accelerometers, gyroscopes and other sensors.

● Virtual/Physical Integration

Virtual/physical integration technology enhances athletic experiences, such as accessing online road maps for real-world running, or experiencing 3D rides as an avatar on a bicycle cycling alongside other athletes from around the world.

● Home Fitness

Home fitness is one of the latest trends in sports. Consumers can purchase sports and fitness commodities online and have them delivered to their homes to enjoy workouts, rain or shine.

● Gamification and Virtual Social Networking

Excellent coaches, interactive screens, elastic cushioned mats and walls made of pressure-sensitive materials, LED lights, and sound effects are just some of the latest innovations in this field. Heartbeat and training data can be recorded throughout workout sessions, and game modes with sound and light effects make highly repetitive exercise movements interesting and motivational.

Sources

Figure (1.1) – 2018 Global Sporting Goods Exports; Annual Growth Rates by Country

Figure (1.2) – 2019 First Quarter Performance of Bicycle Exports/Taiwan Bicycle Association

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