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## **Small and medium Sports enterprises - An Engines of Economic Growth with Special Reference to Indian Economy**

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### **ABSTRACT**

SME is the abbreviation for Small and Medium Enterprises. These enterprises can be rightly called as the backbone of the GDP of India. The SME sector in India is growing at an exceptionally fast rate due to which it is proving to be beneficial to the Indian Economy.. Let us first analyze the current figures related to the SME sector in India As the small and medium enterprises (SMEs) play quite very significant role in the growth of the Indian economy, accounting for 45% of industrial output, 40% of exports, employing 69 million people, the contribution of these units to GDP may touch 22% in 2013. In 2011, SMEs contribution towards GDP stood at 17%.“Increase from 17% to 22% is a pipe dream without putting in place the enabling factor to foster growth of SMEs in India. in recent years the SME sector has consistently registered higher growth rate compared to the overall industrial sector. The major advantage of the sector is its employment potential at low capital cost or this three critical enablers are required. Firstly, better infrastructure, second is increased access to risk capital and third is creating a culture of innovation.”

As such sports sectors play a huge role in Indian economy this can be understood that amount of money involved in IPL, Common wealth games, 20-20- world cup, Indian Hockey League and CCL (Celebrity cricket league) the success of these events let to a huge demand of sports equipments. Is Sports SGI India managing business processes to add social, environmental and economical value in order to produce a positive sustainable impact for economic growth? Which exports nearly 60% of its total domestic output to the sports loving people the world over, has matured into a globally competitive & creative entity. India is fast emerging as an important supplier of quality sports goods and toys to the global markets. The industry is rapidly embracing new technology and adapting its products to keep up with the fast changing global trends. The

major manufacturing centers of the Industry in India are in and around the following cities: Jalandhar, Meerut, Delhi, Mumbai, Calcutta and Chennai. The main sports equipment exported from India include, Inflatable balls, Protective Equipment for Cricket, Cricket Bats, Boxing Equipment, Cricket and Hockey Balls, Bladders.

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**Key words:** Economic growth, SME, s, GDP, Export, Sports goods industry, Indian economy.

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## **Introduction**

### **Sports industry in India**

**Indian Sports Goods industry**, which exports nearly 60% of its total domestic output to the sports loving people the world over, has matured into a globally competitive & creative entity. Be it a cricket bat or a hockey stick or a football, the contribution by the Indian sports goods industry to the international sports goods market has been remarkable. The sports goods industry in India is largely concentrated in the cottage and small-scale sector. Hence there is a paucity of resources for technology up gradation and effectively marketing of the products. This industry is highly labour intensive, providing employment to the weaker sections of the society and also employs a large number of women work forces Steps towards Development. A creative approach and a sense of responsibility to the society at large, characterizes the Sports goods industry. It has devoted itself to meet future demand by innovating new products, for new markets. The economic reform process underway in India and the liberalized industrial policies have motivated the small scale units, which have remained the hallmark of the industry, to achieve the goals set forth by the Government. India is fast emerging as an important supplier of quality sports goods and toys to the global markets. Indian sports goods are being exported to the more than 100 countries and are in demand in some of the most developed nations of the world.

The major manufacturing centres of the Industry in India are in and around the following cities:

- Jalandhar ,Meerut , Delhi , Mumbai , Calcutta , Chennai

- The words 'sports goods' have become synonymous with the passion that India has for sports. The sports goods industry in India is nearly a century old and has flourished due to the skills of its workforce. Being labour-intensive in nature, the industry provides employment to more than 500,000 people.
- **Exports - A Momentous Growth**
- India's share of the global sports goods export market is expected to grow manifold, with the country establishing the credibility of its goods in the international market. Indian sporting goods are well known around the world and have made a mark in the global sports goods market. The industry exports nearly 60 per cent of its total output to sports-loving people the world over. The sports goods market in India was valued at US\$ 1 billion in 2010-11. The market is growing as 35-40 per cent a year and is expected to reach US\$ 3.6 billion by 2015. The growth is expected on account of increasing awareness about health and fitness in the country
- Industry exports were valued at approximately US\$ 143.7 million in 2011-12, registering a growth rate of 5 per cent over the period 2006-07 to 2011-12

### Methodology

A study is focusing on Indian SME,s with reference of Indian Sports Goods Sector. Study basically focus on impact on SME,s on GDP, Export, and employment generation. The proposed study would be based on secondary data collected through various sources such as industries publication, annual reports of banks working for SME,s sectors, journals, news papers articles, on-line resources.

The sports goods industry in India has witnessed a phenomenal growth over the past five decades and now occupies a place of prominence in the Indian economy in view of its massive potential for employment, growth and export. There has been an increasing emphasis on its planned development, aimed at optimal utilization of resources for maximizing the returns, particularly from exports.

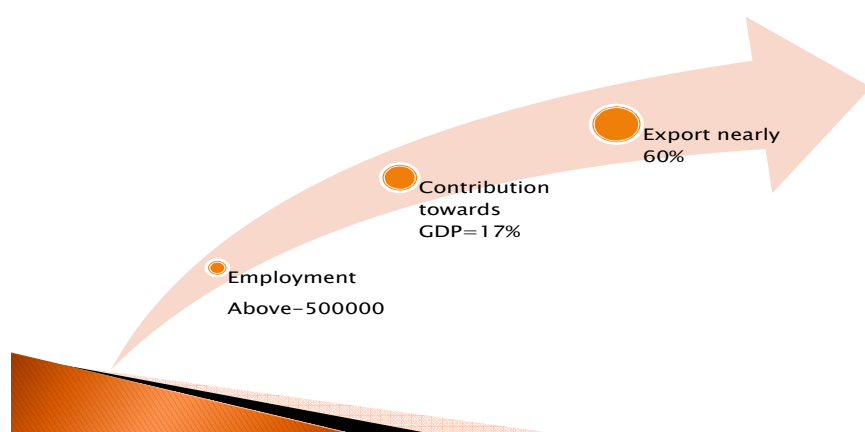
**Table 2.1: Major Sports Goods Production Centers/Clusters and Product Categories**

Location/	Cluster Major Product Categories
Jalandhar	• Inflatable ball ( • Boxing Equipment• Cricket Equipment• Sports ware• Track and Field Equipments• Sports Training equipment• Hockey Equipment
Meerut	Weight Lifting Equipment• Cricket Equipments• Athletics Equipments• Boxing Equipments• Table Tennis• Badminton • Carrom board• Fitness and Exercise

	equipment
Jammu & Kashmir	Cricket Bats
Delhi	Football• Carrom Board• Chess• Cricket Equipment• Billiards/Snooker/Pool Tables • Accessories• Football Bladders• Boxing equipment• Punching• Sports Helmets
Gurgaon	Golf Equipment• Board Games
Mumbai	Water Park Slides• Carrom Board• Playground • Fitness Equipment
Kolkotta	• Carrom Board• Magic tricks & magic apparatus
Chennai	Tennis Balls, Sports Shoes and Apparels
Bangalore	Bowling Equipments• Sports Medals & Trophies• Gym & Health Equipments

### The Sports SME,s play significant role in the growth of the Indian economy

- ▶ The industry exports nearly 60 per cent of its total output to sports-loving people the world over.
- ▶ The industry provides employment to more than 500,000 people.
- ▶ SMEs contribution towards GDP stood at 17%.“Increase from 17% to 22% is a pipe dream without putting in place the enabling factor to foster growth of SMEs in India.



### Growth and performance of micro, Small and medium enterprises in India

TABLE 1.1: PERFORMANCE OF SSI / MSME UNITS, Employment, investment & gross output

Sl. No.	year	Total Working enterprise (In Lakh)	Employment (In Lakh)	Market value of fixed assets( In Crore)	Gross output( in Crore)
1	2002-3	109.49	260.21	162317.00	314850.00
2	2003-4	113.95	271.42	170219.00	364547.00
3	2004-5	118.59	282.57	178699.00	429796.00
4	2005-6	123.42	294.91	188113.00	497842.00
5	2006-7	361.76†	805.23†	868543.79*	1351383.45*
6	2007-8	377.37	842.23	917437.46	1435179.26
7	2008-9	393.70	881.14	971407.49	1524234.83
8	2009-10	410.82	922.19	1029331.46	1619355.53
9	2010-11	428.77	965.69	1094893.42	1721553.42
10	2011-12	447.73	1012.59	1176939.36	1834332.05

†' Including activities of wholesale/retail trade, legal, education & social services, hotel & restaurants,

transports

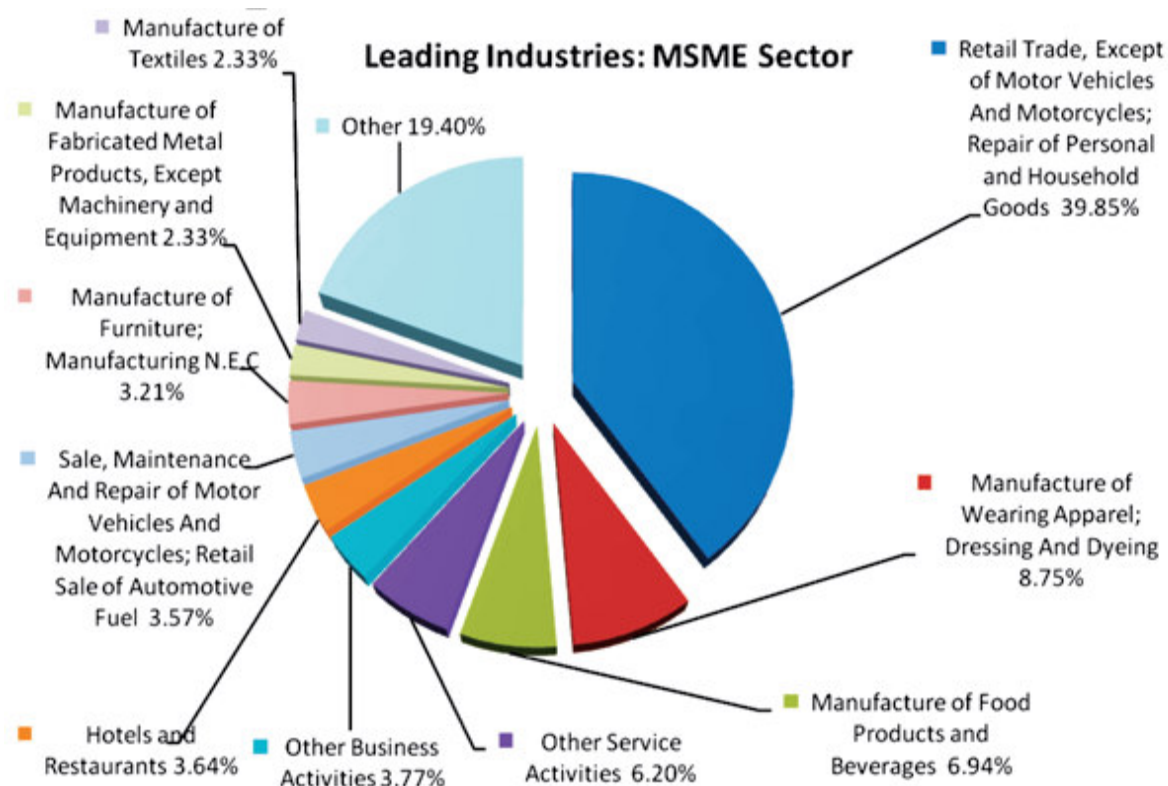
and storage & warehousing (except cold storage) for which data were extracted Economic Census 2005, Central Statistics Office, M/o SPI.

\* Estimated on the basis of per enterprises value obtained from sample survey of unregistered sector for activities wholesale/retail trade, legal, education & social services, hotel & restaurants, transports and storage

& warehousing(except cold storage) which were excluded from Fourth All India Census of MSME, unregistered sector

1.1. There are over 6000 products ranging from traditional to high-tech items, which are being Manufactured by the MSME sector in addition to provide wide range of services.

The leading industries with their respective shares are as depicted below:

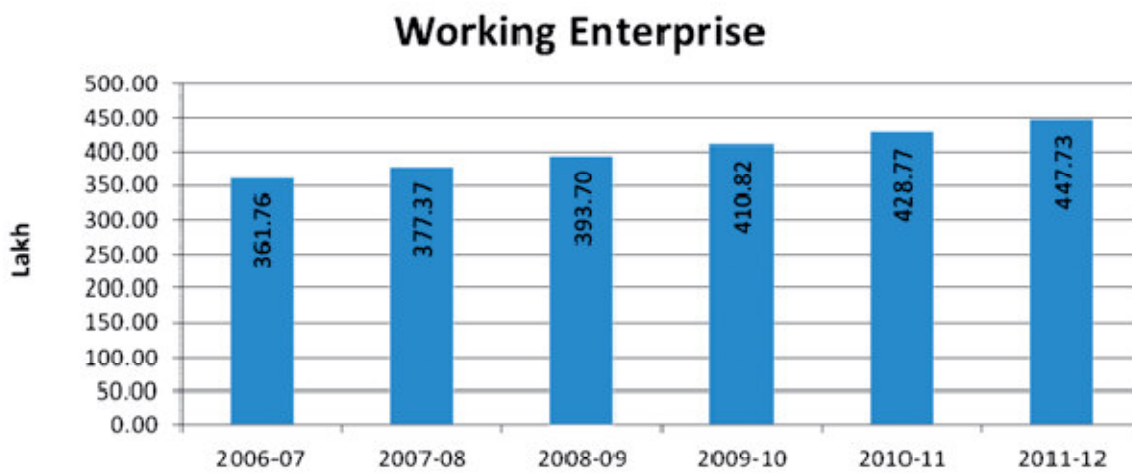


*It is well known that the MSME provide the maximum opportunities for both self-employment and jobs after agriculture*

sector

## 2.2 CHARTS SHOWING STATISTICS OF THE SECTOR

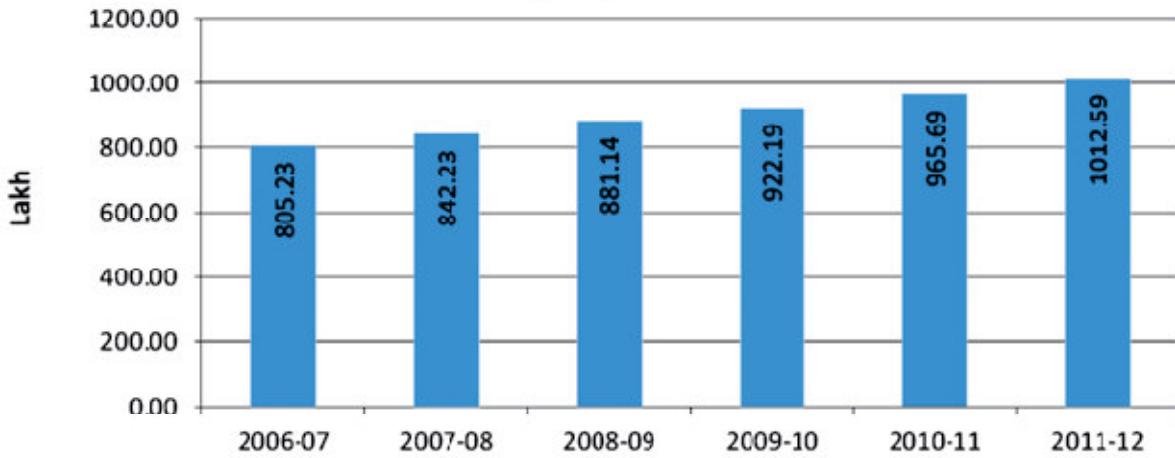
### A) Number of Enterprises in MSME Sector



*Projected data for the years 2007-08 to 2011-12.*

### b) Employment in MSME Sector

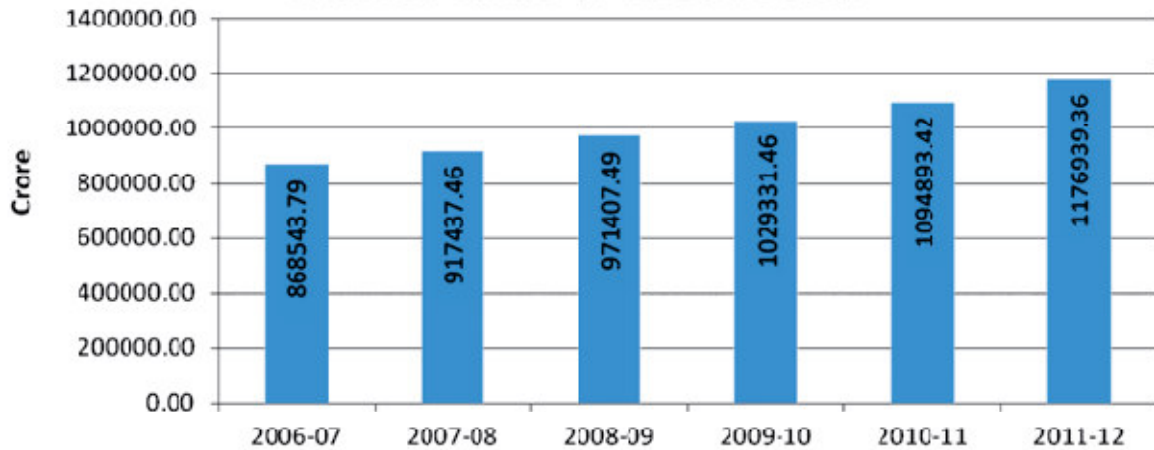
## Employment



*Projected data for the years 2007-08 to 2011-12.*

### C) Fixed Investment in MSME Sector

## Market Value of Fixed Assets

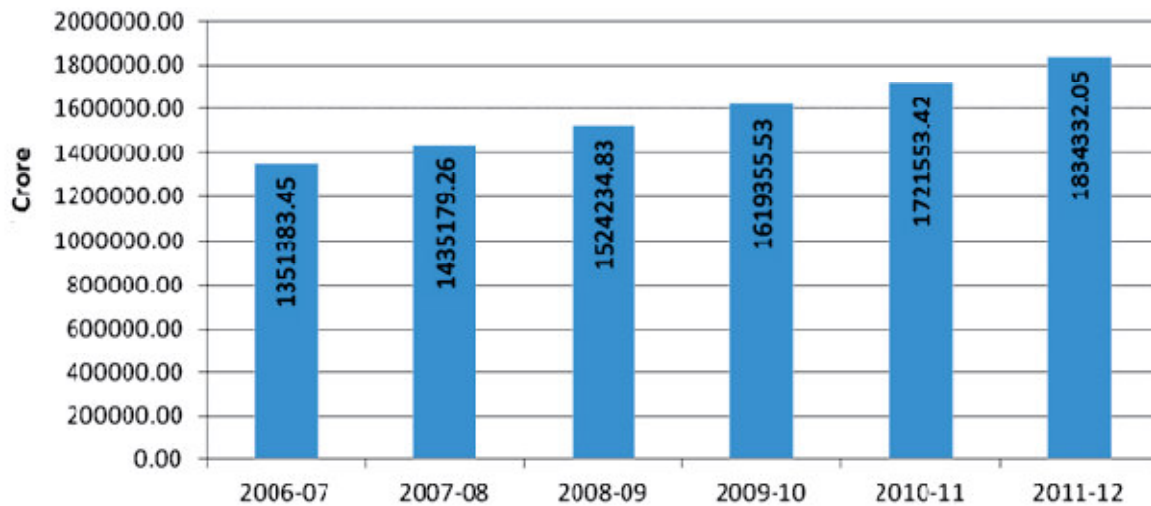


*Projected data for the years 2007-08 to 2011-12.*

### d) Gross Output in MSME Sector



## Gross Output



*Projected data for the years 2007-08 to 2011-12.*

Sources-MSME annual report 2012-13

### THE RISING SPORTS INDUSTRY IN INDIA

- All India Football Federation** and **IMG-Reliance** have sealed commercial rights deal in football for Rs. 7 billion for next 15 years
- Jaypee Group** has become a force to reckon with in developing state-of-the-art sporting systems in their Sports City
- Cisco** and **Mahindra** are exploring opportunities to collaborate on comprehensive differentiated offerings in the Sports and Entertainment

□ **King fisher** and **Sahara Group** have joined hands for India's only Formula One Team **Force India**

□ **Airtel** , **Vodafone**, **LG**, **Panasonic**, **Tata Steel**, **Coca Cola** , **Hero Motor Corp** etc have strong brand identities associated with sports

□ Most of the television channels have shows built around sports like **Roadies** and **Khatron Ke Khiladi** and are having rising TRPs year after

### **Main Reasons for SME Growth**

- Foreign and local fund providers are taking huge interest in the small and medium enterprises of India.
  - Banking sector has also shown a keen interest in lending credit to these enterprises.
  - Many recent mergers have taken place in the sector.
  - The sector has significantly contributed towards the domestic production as well as the export earnings.
  - Low investment is required to start and maintain these enterprises.
  - The sector has contributed impressively towards job creation and increase in individual incomes.
  - Technological growth is also a factor for growth of SME's in india as there are several **trade portals** and **business directories** available online with huge database of buyers, sellers, manufacturers who are basically back bone of SME's.
  - **Certain challenges that the SME sector will have to face.**
- Though the SME industries are spread all over the urban areas, proper infrastructure needs to be developed in the rural areas to establish these industries there.
  - The SME units are functioning efficiently and effectively, but even now there is lack of information regarding the inputs of these industries, like the raw materials, skills, machinery and equipment.
  - There is need of high level research and development required to develop these sectors in both the urban and rural areas.

### **Conclusion**

Foreign and local fund providers are taking huge interest in the small and medium enterprises of India. Banking sector has also shown a keen interest in lending credit to these enterprises. The sector would have potential of export earnings creation and increase in individual incomes. Low investment is required to start and maintain these enterprises. Due to advancement in ICT several trade portals and business directories available online with huge database of buyers, sellers, manufacturers who are basically back bone of SME's. Jalandhar and Meerut are important suppliers of quality sports goods in India and more than 130 countries including some of the developed nations in the world. The industry is steadily embracing new technology and adapting

its products to keep up with the changing global trends so as to become the most important centre for sports goods manufacturing in India

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