

Editorial

Olympic Games Expand Potential of Chinese Sports Market

As you're reading this, the 2008 Olympic Games are in full swing. Heralded as China's coming-out party, the Beijing Games signal China's emergence as a formidable economic power.

China has invested an estimated \$42 billion in preparation for the Olympic Games—a record outlay for a host city.

The huge inflow of capital to support such a massive sporting event has resulted in major infrastructure changes. Beijing upgraded its public transporta-

tion system, opening a new cross-city subway line and adding a light-rail link from the airport, expanded its digital communications networks, and constructed dozens of sports facilities including the National Stadium.

Some observers have criticized China's lavish spending on construction of sports complexes because of its inability to satisfy the everyday demands of the country's swelling urban population.

But these state-of-the-art facilities,

combined with China's ambitious quest to win more Olympic gold medals, could establish the country not only as an economic superpower but also as a sports superpower.

China's people, now exposed to dynamic international sporting events, could develop more interest in watching and participating in sports. And the growing Chinese consumer base could opt to spend their discretionary income on sporting goods.

China's sports industry is tiny now, but the sector could grow rapidly with increased demand. The Hong Kong Trade Development Council estimates that China's sports industry will soon grow by 20 percent a year.

Bicycles could be part of that growth if the industry can captivate China's rising consumer class. Our challenge is to convince Chinese consumers to view a bicycle not only as transportation but also as sports recreation.