

Analysis of China's Sporting Goods Export Strategies to Indonesia under the RCEP Framework

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Abstract: This paper examines the localization strategies and performance of China's sporting goods exports to Indonesia against the backdrop of the RCEP agreement. By analyzing the consumption characteristics, competitive landscape, and trade environment of the Indonesian market, it explores localization pathways concerning product positioning, channel layout, and pricing strategies. The research aims to provide theoretical foundations and practical recommendations for Chinese sporting goods enterprises to expand their presence in the Indonesian market and enhance international competitiveness under the RCEP framework.

Keywords: RCEP; Sporting goods exports; Indonesian market; Localization strategy

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1. Target market characteristics

Against the backdrop of the formal enactment and ongoing implementation of the Regional Comprehensive Economic Partnership (RCEP) agreement, the process of trade liberalization and economic integration in the Asia-Pacific region has accelerated, creating new policy opportunities for the cross-border export and international expansion of China's sporting goods industry.

As the largest economy in ASEAN, Indonesia's GDP reached \$1,397.1 billion in 2024, with a per capita GDP exceeding \$5,000. In terms of market competition, while Japan and South Korea are mature markets with significant import volumes for sporting goods in the Asia-Pacific region, their growth momentum has stabilized. Conversely, ASEAN countries like Indonesia and Vietnam, with annual import growth rates exceeding 8.5%, have emerged as new growth drivers for China's sporting goods exports.

Consequently, this study focuses on the localization strategies and empirical performance analysis of China's sporting goods exports to Indonesia within the RCEP framework. By examining the consumption traits, trade environment, and competitive dynamics of Indonesia's sporting goods market, it investigates the construction of localization strategies, aiming to provide a theoretical basis for the localized development model of Chinese

manufacturing exports under RCEP and support the high-quality international development of China’s sports industry within regional economic cooperation.

1.1. Assessment of China’s trade performance in Indonesia

China is a major supplier of sporting goods to Indonesia, with export values showing consistent growth in recent years. According to 2023 trade data, Indonesia’s imports of sporting goods from China reached \$52 million, accounting for over 35% of Indonesia’s total imports in this category. Chinese products hold significant advantages in terms of cost-effectiveness and supply chain stability (Table 1).

Table 1. Changes in China’s sporting goods exports to Indonesia (2018–2023)

Year	Export value (Million USD)
2018	30
2019	35.2
2020	38.5
2021	42
2022	47.5
2023	52

Data Source: Indonesian Central Statistics Agency (BPS) Trade Module, China General Administration of Customs

1.2. Competitiveness analysis of the Indonesian market

The Indonesian sporting goods market features diversified competition, with main rivals including Vietnam, Thailand, Japan, and the United States (Figure 1).

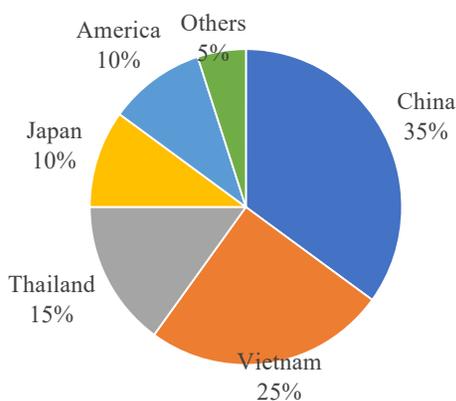


Figure 1. 2023 Indonesia import share distribution. Data Source: TMO Group Report

Vietnam, leveraging cost advantages and geographical proximity, has experienced the fastest share growth (increasing by 12% from 2021–2023), primarily targeting labor-intensive products like sportswear. Japan and the US dominate the high-end equipment market (e.g., professional fitness equipment). The unit value of Chinese products (approximately \$15 per item) is lower than that of Japan (\$40 per item) and the US (\$35 per item) but higher than Vietnam (\$10 per item), positioning them in the mid-range market with relatively prominent cost-performance ratio.

1.3. Price positioning of Chinese products in the Indonesian market

Chinese sporting goods are positioned in the low-to-mid-range in terms of unit value in Indonesia, but some brands have increased their premium through functional upgrades. A comparison of unit values for major categories in 2023 as follows:

- (1) Sports shoes: Chinese products average \$15–25, while local brand Ortuseight averages \$30, and international brands (e.g., Adidas) average over \$50;
- (2) Fitness equipment: The Chinese brand Naturehike's tents average \$23, contributing over 50% of its sales revenue.

2. PEST analysis of the Indonesian market

2.1. Political environment

From a regional policy perspective, the RCEP agreement establishes a tariff preference system for Chinese sporting goods exports to Indonesia. Products can enjoy preferential tariffs with certificates of origin, and these tariffs are generally decreasing annually. For example, the tariff for fitness equipment was 8% in 2023, will drop to 3% by 2025, and smart equipment may receive additional subsidies reducing it to 1%. Tariffs for sportswear and ball/outdoor equipment categories also see varying degrees of reduction or even zero-tariff arrangements. From a bilateral cooperation standpoint, the deepening “Belt and Road” Initiative provides strategic backing for Chinese sporting goods exports to Indonesia. Participation by Chinese enterprises in the construction of sports venue clusters for Indonesia's new capital (Nusantara) not only drives direct exports of products like sports flooring and venue lighting equipment but also creates a synergistic “infrastructure + equipment” model.

2.2. Economic environment

According to data released by the UN Comtrade Database, Indonesia's import and export values from 2020 to 2024 showed a trend of rapid growth followed by minor adjustments. Statistics by trade partner for 2024 indicate that the top three sources of Indonesia's imports globally were China, Singapore, and Japan. China ranked first with a 30.8% share and import value of \$65.38 billion, exhibiting a year-on-year growth rate of 13.9%, making it Indonesia's core import source country.

2.3. Social environment

For Chinese sporting goods enterprises, Indonesia's vibrant sports market holds valuable development opportunities. For instance, Indonesia has hosted the Southeast Asian Games, attracting over ten thousand athletes and generating sports goods consumption revenue exceeding \$1 billion. Its badminton events are top-tier international IP; the annual Indonesia Open attracts top global players, with derivative sporting goods consumption alone creating billions of dollars in revenue for the local market. Deeply understanding Indonesian consumer preferences and needs enables precise market targeting and the development of sporting goods that combine international perspectives with local adaptability.

2.4. Technological environment

In the field of sporting goods technology, Indonesia is gradually enhancing its industry's technical standards through a dual-track model of local innovation and international technology introduction. Collaboration between Indonesian sports tech companies and universities like Gadjah Mada University, resulting in the development of

a “Sports Health Monitoring System,” is a typical case, achieving the integration of sports monitoring and health management technology and providing scientific support for both amateur enthusiasts and professional athletes.

3. Product marketing strategy

3.1. Market positioning

Considering Indonesia’s tropical climate and sports consumption preferences, the focus is primarily on two core categories: ball sports equipment and water sports equipment to define market positioning. Ball products require material optimization for the local tropical climate and the incorporation of local elements to enhance emotional connection. For badminton products, offering “shuttlecock + racket” combo sets can strengthen competitiveness. For water sports equipment, surfboards can utilize multi-layer composite materials and offer personalized customization, alongside establishing offline experience stores. Diving equipment should emphasize corrosion resistance and high compatibility, with the introduction of cost-effective snorkeling sets to expand the mass market.

3.2. Sales channel analysis

The growth momentum of China’s sporting goods exports to Indonesia is strong, with cross-border e-commerce being a core driver. Indonesia’s internet user base exceeds 185 million, with a penetration rate of 66.5%, laying a solid foundation for online channels. In 2024, the leading e-commerce platforms were Shopee (51% share), Tokopedia (22%), and Lazada (10%), making them key platforms for online channel strategy. Regarding offline channels, Chinese sports brands are also actively expanding. Anta has opened flagship stores in Jakarta’s core commercial areas attracting significant foot traffic. Li-Ning has established regional warehousing centers to improve logistics efficiency. Xtep achieved a tenfold sales increase through social media marketing, leading to high repurchase rates, thereby capturing local market share. Simultaneously, Sino-Indonesian cooperation in sports continues to deepen. With rising health awareness among Indonesian consumers and the development of the local sports industry, demand for sporting goods is robust. Hosting sporting goods exhibitions has become a key measure for promoting industrial cooperation and brand exposure between the two sides.

3.3. Pricing strategy

The Indonesian sporting goods market exhibits characteristics where “basic categories prioritize low prices, while footwear pursues quality.” Sports outdoor equipment and supplies are mainly priced between \$2–10, with ultra-low-price accessories accounting for 10%. Sportswear priced between \$2–5 is most popular, and footwear ranges from \$20–100, with consumers willing to pay a premium for quality. Accordingly, three pricing strategies can be adopted: cost-plus pricing for basic categories like standard basketballs; penetration pricing for new product categories and exclusive items for tourist areas; and competition-oriented pricing aligned with the pricing of mainstream local and international brands.

4. Risk management and recommendations

4.1. Product risk and management

Some products are prone to heat dissipation and material aging issues due to lack of adaptation to Indonesia’s tropical climate, and they may lack local compliance certifications such as SNI and Halal certification. Additionally, there is intense homogenized competition in the mid-to-low-end product segment. Countermeasures include optimizing product design for heat dissipation and rust prevention to enhance resistance to high

temperatures and humidity.

4.2. Channel risk and management

Over-reliance on e-commerce platforms like Shopee and Tokopedia leads to insufficient penetration in the offline market. Cross-border logistics also face challenges of high costs and unstable delivery times. To address these issues, proposed optimizations include expanding local distributor networks, planning to set up warehouses in cities like Jakarta and Surabaya, and collaborating with local logistics companies such as J&T and SiCepat to reduce costs and improve delivery efficiency.

4.3. Promotion risk and management

Promotional methods suffer from homogenization, such as reliance on discounts. Content may not be adapted to religious culture, e.g., overlooking Ramadan taboos. KOL collaborations can be costly with limited effectiveness. Therefore, marketing should leverage festivals like Eid al-Fitr and Independence Day for themed campaigns, avoiding sensitive elements, and using the Indonesian language and local scenarios.

4.4. Price risk and management

Intense price competition in the mid- to low-end market segments significantly compresses profit margins, while fluctuations in the Indonesian Rupiah exchange rate introduce additional pricing volatility and financial uncertainty. Furthermore, an excessive reliance on low-price strategies may erode brand equity and weaken long-term market positioning.

To address these challenges, firms should adopt a tiered pricing strategy. Penetration pricing can be applied to entry-level products to expand market share, whereas value-based pricing should be implemented for mid- to high-end offerings to reflect differentiated quality and brand value. At the same time, establishing exchange rate hedging mechanisms can help mitigate currency risk and stabilize revenue expectations. Additionally, companies should leverage content marketing to highlight product durability and environmental attributes, thereby reducing consumer price sensitivity and strengthening brand perception beyond cost considerations.

Disclosure statement

The author declares no conflict of interest.

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