



Press release

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Swiss watch exports in the first half of 2017

The result has stabilized sooner than expected

After having to contend with an unfavourable economic, structural, political or security environment, depending on the markets, the Swiss watch industry has gradually adjusted to the new environment in which it will have to operate. The adverse consequences on the state of business have given way to a recovery which has already become a strong upturn on some markets. Although Swiss watch industry exports are not equally dynamic everywhere, their overall trend has stabilized, spelling the end of the downturn. This stabilization had not been expected before the end of the year.

In the first six months of the year, watch industry exports were worth 9.5 billion francs. The variation against the result for the first half of 2016 was +0.1%. China and the United Kingdom reported strong growth and made a major contribution to this trend.

The target for the whole of 2017 has therefore already been achieved after six months, thanks to a good second quarter (+3.0%). However, the situation remains fragile locally. The United States did not participate in the recovery and some European or Asian markets are still undergoing significant readjustments. The forecast for 2017 therefore remains one of prudent optimism.

Products

Watches, the flagship product of Swiss watch industry exports, reached a value of 8.9 billion francs, up 0.7% on the first half of 2016. On the other hand, the corresponding number of pieces did not follow the same trend and contracted by 3.3%. In six months, the Swiss watch industry sent 11.6 million timepieces abroad.

Value growth was supported by mechanical watches (+2.0%) while quartz products (-4.5%) lost ground.

Watches priced at less than 200 francs (export price) were the only ones to see their value diminish against the first half of 2016, at -11.2%. The number of pieces also fell (-5.6%) with a strong impact on the total. The value of watches in the 200-500 francs range rose by 3.0%, while those priced at more than 500 francs reported 1.3% growth of export sales.

Over the first half as a whole, gold watches posted a fall which was precisely offset by the growth of steel timepieces. Products made of platinum and bimetal watches in particular tipped the balance into positive territory. Volumes were affected by the decline of the *Other materials* and *Other metals* categories.

All the figures released by FH refer to exports data and not to sales to end-consumers. Differences between these two types of data may therefore exist. These data must be regarded as consolidated figures gathering export results from all Swiss watch companies. They obviously cannot reflect the individual results of one particular company or group of companies, knowing that business activity may greatly vary from one to the other.



Markets

In the first half of 2017, the fifteen main markets showed the following trend (total value in million francs and variation by comparison with the first half of 2016):

1.	Hong Kong	1,195.3	+0.5%
2.	USA	988.9	-5.9%
3.	China	719.1	+21.7%
4.	United Kingdom	617.7	+16.3%
5.	Italy	592.2	+0.4%
6.	Japan	572.1	-9.8%
7.	Germany	524.7	-6.1%
8.	Singapore	487.6	+0.4%
9.	France	469.4	-4.2%
10.	UAE	436.5	-11.3%
11.	South Korea	335.7	+6.5%
12.	Spain	221.3	+0.8%
13.	Saudi Arabia	172.7	-7.3%
14.	Austria	147.9	+4.8%
15.	Taiwan	146.7	-19.2%

Among the main regions, the trend in Europe was the most interesting with +3.3% between January and June. Still benefiting from the level of its currency, the United Kingdom made a major contribution here. Asia remained stable overall (-0.3%), with some markets steeply higher and others falling sharply. The American continent reported a fall of 3.7% due to the downturn in the United States.

The steep increase in Swiss watch exports to the United Kingdom (+16.3%) was a salient feature in Europe. Some other markets reported modest growth, including Italy (+0.4%), Spain (+0.8%) and Austria (+4.8%), but elsewhere there were further falls. Germany (-6.1%) and France (-4.2%) are only recovering very gradually from the steep contraction experienced by them since early 2016.

Asia also saw an alternation of rises and falls. Hong Kong (+0.5%) stabilized in the first half. China (+21.7%) maintained the highly positive trend which it has been posting for nearly one year now and achieved the highest growth rate of all the Asian countries. At the other extreme, Japan (-9.8%), the United Arab Emirates (-11.3%) and Taiwan (-19.2%) saw steep declines.

Despite more optimistic forecasts, figures for the United States remained weak in the first half (-5.9%). The situation there has not improved for more than twelve months and for the time being there is nothing to suggest that the outlook will brighten soon.

Contact:

Jean-Daniel Pasche, President
jean-daniel.pasche@fhs.swiss