Fédération de l'industrie horlogère suisse FH
Verband der Schweizerischen Uhrenindustrie FH
Federation of the Swiss Watch Industry FH

Press release

for immediate publication

Bienne, July 19th 2018

Swiss watch exports in the first half of 2018

Strongest half-yearly growth since 2012

2017 had seen the trend of Swiss watch industry exports stabilize before posting a gradual recovery on more and more markets. Since early 2018, the trend has firmed distinctly with results strongly higher over the whole first half. Major changes in consumption and distribution are serious challenges to the industry, but do not hamper its development or its ability to satisfy demand.

The strong results posted throughout the first six months of the year enabled Swiss watch industry exports to pass the 10 billion francs mark at the end of the first half; that had no longer been the case since 2015. With 10.5% growth over the first half of 2017, they reached 10.5 billion francs, i.e. one billion more than at the same time last year. This was the strongest half-yearly rise since 2012.

The pace of growth posted at present by watch industry exports makes a higher forecast for 2018 as a whole appropriate. The year therefore seems likely to end on robust growth, although below the present level, in particular because of a somewhat higher comparison base in the second half.

Products

Swiss watch exports reached a value of 9.9 billion francs, i.e. growth of 10.4% over the first half of 2017. In volume terms, the overall result showed a more moderate rise (+1.3%), with substantial volatility over the months. During the first half, the Swiss watch industry shipped 11.7 million timepieces abroad.

The bulk of the growth in value terms was generated by mechanical watches (+11.3%), as a result of which more than 8 francs out of 10 were earned through exports. There was also a rise in volume terms (+13.6%), even offsetting the decline of electronic watches (-3.8%).

In the first half, watches priced at less than 200 francs (export price) remained largely unchanged in value terms (-0.1%), while the number of pieces continued to fall (-3.7%), after two previous years of steep decline. The 500-3000 francs category reported the strongest growth in both volume (+14.9%) and value (+16.9%) terms. Substantial gains (+8.7%) were also made by the over 3000 francs category.

Timepieces in precious metals, steel and bimetal made a significant contribution to growth. When it comes to volumes, the steep rise of steel (+500,000 pieces) was offset by the decline of the Other materials category (-370,000 pieces).

Rue d'Argent 6
2502 Biel/Bienne
Switzerland
Tél. +41 32 328 08 28
info@fhs.swiss
www.fhs.swiss

Markets

In the first half of 2018, the fifteen main markets showed the following trend (total value in million francs and variation by comparison with the first half of 2017):

1.	Hong Kong	1,548.7	+29.5%
2.	USA	1,080.3	+9.1%
3.	China	815.6	+13.4%
4.	Japan	654.1	+14.0%
5.	Germany	561.1	+6.8%
6.	France	553.9	+17.5%
7.	United Kingdom	552.9	-10.9%
8.	Singapore	531.7	+9.0%
9.	Italy	514.5	-13.3%
10.	UAE	454.1	+3.4%
11.	South Korea	452.0	+34.7%
12.	Spain	194.8	-12.1%
13.	Saudi Arabia	179.0	+3.6%
14.	Thailand	153.1	+28.0%
15.	Taiwan	148.5	+1.1%

Asia held a practical monopoly on growth in the first half, generating just under 90% of the global rise in Swiss watch industry exports. It took the equivalent to 5.6 billion francs, 18.7% more than in January-June 2017. The American continent has followed suit, although with only half the level of growth (+9.1%). Combining more contrasting local trends and a less favourable economic environment, Europe (-1.2%) lagged behind.

There were some changes in the distribution of growth. Hong Kong (+29.5%) advanced strongly to generate one-third of total growth on its own, but the pace of growth in China (+13.4%) slackened, while still remaining at a very high level. In terms of overall progression, it has been joined by Japan (+14.0%) and surprisingly France (+17.5%), which gave a substantial boost to the general result. South Korea (+34.7%) and Thailand (+28.0%) both reported particularly strong growth. Among the smaller markets, Qatar (+76.6%) or Turkey (+45.3%) also made very strong gains.

Overall half-yearly results were tempered by the negative trend of several markets, essentially in Europe. The United Kingdom (-10.9%) abandoned its driving role after benefiting strongly from the fall in value of the pound sterling two years ago. Italy (-13.3%) and Spain (-12.1%) also experienced a distinct downturn.

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