



## Press release

for immediate publication

Bienne, July 18<sup>th</sup> 2019

Swiss watch exports in the first half of 2019

### Value better than expected while volumes fall sharply

The slowdown in growth that began in late 2018 and the high basis for comparison pointed to a relatively flat start to 2019. Ultimately, however, watch exports for the first half of the year performed better than expected. While part of the increase can be attributed to particular circumstances, such as anticipating the effects of Brexit and an exhibition of rare items in China, overall performance remained positive and points to an encouraging trend in the sector for the year as a whole. A more detailed examination, however, reveals sometimes marked disparities between markets, price segments and key players. In particular, there has been a sharp decline in volume.

Watch exports reached the equivalent of 10.7 billion Swiss francs during the first half of the year, an increase of 1.4%. While performance improved by +2.9% in the first quarter, the second three months of the year suffered from the sharp decline in June, causing results to stagnate.

The complex environment created by competition and constantly changing consumer behaviours represent a permanent challenge for the watchmaking sector, while the commercial, political and economic situation suggests a cautious approach moving forward. While all these factors have an impact on growth, it will remain positive in 2019 and initial indicators suggest this will continue in 2020.

### Products

Exports of wristwatches accounted for 94% of total value and amounted to 10.0 billion francs, an increase of 1.3% compared with the first half of 2018. The trend for the number of items sold was markedly different. The drastic decline that began last year worsened during the first half of 2019 and the sector has seen volumes fall by 14.1% in six months, a drop of over 1.6 million timepieces.

Mechanical watches generated 83% of export sales and drove an increase in value. Conversely, quartz watches lost ground, with volumes falling by 17.5% compared with January-June 2018.

Only watches priced at over 3,000 francs (export price) posted an increase during the first half, with a rise in value of 6.0%. In lower price segments, value fell by 15.5% overall. Timepieces priced at less than 200 francs, which accounted for more than 85% of the decline in volumes, saw the number of items reduce by 20.2%.

Precious metal and bimetal watches drove value up, while steel products recorded a fall. In volume terms, the main groups of materials (steel, *Other materials* and *Other metals*) posted significant declines.

---

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 2019, the fifteen main markets showed the following trend (total value in million francs and variation by comparison with the first half of 2018):

1.	Hong Kong	1,448.7	-6.6%
2.	USA	1,157.7	+7.1%
3.	China	925.6	+13.5%
4.	Japan	797.6	+21.8%
5.	United Kingdom	698.5	+26.3%
6.	Singapore	599.5	+12.8%
7.	Germany	549.9	-2.0%
8.	France	523.6	-5.7%
9.	United Arab Emirates	476.8	+4.9%
10.	Italy	472.5	-8.2%
11.	South Korea	456.2	+0.9%
12.	Spain	190.1	-2.4%
13.	Saudi Arabia	159.2	-13.0%
14.	Taiwan	151.6	+2.1%
15.	Netherlands	124.4	-5.9%

Asia's share of Swiss watch exports increased slightly, accounting for 54% of total value. At over 5.7 billion francs, performance increased by 2.2% compared with the first half of 2018. Europe (-0.6%), which generated 30% of export sales, remained practically unchanged thanks to the United Kingdom, with 3.2 billion francs. America (+4.6%) delivered the best performance, driven by the United States, to reach 1.5 billion francs in six months and a relative share of 14%.

Results in the main Asian markets varied widely. The slowdown in Hong Kong (-6.6%) turned into a decline, largely because of the sharp fall recorded in June. Saudi Arabia (-13.0%) and Thailand (-26.4%) also lost ground. Other markets posted sharp rises, with China (+13.5%) staying on course, along with Japan (+21.8%) and Singapore (+12.8%). South Korea (+0.9%) posted similar results to 2018.

The United Kingdom (+26.3%) ensured that Europe remained stable in the first half, thanks to an exceptional first quarter as the sector anticipated the effects of Brexit. Conversely, other European markets, such as Germany (-2.0%), France (-5.7%), Italy (-8.2%) and Spain (-2.4%) fell back.

The United States continued to perform well and represented a strong core of growth for the Swiss watchmaking sector.

### Contact:

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