



Press release

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Swiss watch exports in 2019

Value increases while volume declines

The Swiss watch industry saw exports exceed the already high level achieved in 2018, in line with the forecasts produced a year ago, in a complex and fast-changing environment. Swiss watches benefited from continued demand in the luxury goods market in general, despite a sometimes challenging economic, commercial, political or social context. They were also faced with increased competition, both in the higher value segment and at entry level, where volumes were particularly hard hit. Overall performance varied significantly, with some markedly contrasting results among different players, markets and product categories.

Ultimately, Swiss watch exports were worth 21.7 billion francs in 2019, an increase of 2.4% compared with 2018. Growth in the second half of the year (+3.2%) was twice as strong as in the first six months of the year (+1.5%), however the rate of growth slowed in the fourth quarter (+1.1%), as a result of very poor performance in Hong Kong.

The general situation will remain complex and require watch brands to adapt accordingly. The strength of the Swiss franc, the paralysis in Hong Kong, the presidential election in the United States, restrictive regulations in Russia and Turkey in particular, the epidemic in China, changes in both physical and digital distribution, the consumption patterns of generations Y and Z, the sharp rise in the pre-owned market and measures required for sustainable development are all factors that will need to be included in strategic planning for the next few years. Several of these elements are not new, however, and the sector has already been moving in this direction, suggesting that 2020 will be a year of high-level consolidation.

Products

Wristwatches set the tone for 2019, representing almost 95% of total exports by value. Exports passed the 20 billion francs threshold (to 20.5 billion), an increase of 2.6% compared with 2018. Conversely, the number of items declined by 13.1%. The downward trend seen for many years worsened during the summer of 2018 and had a marked impact on every month in 2019, without exception. Switzerland shipped 20.6 million watches to other countries, 3.1 million fewer than in the previous year. This historically low level, below even the crisis of 2009, is comparable to the volume exported during the dip in the early 1980s.

The growth in value was almost exclusively due to mechanical, precious metal or bimetal watches priced at over 3,000 francs (export price). Other price segments, quartz watches and steel products, in particular, declined in 2019.



Markets

Asia's share of Swiss watch exports decreased slightly, because of the negative impact of Hong Kong. Nonetheless, Asia still accounted for more than half (53%) of the export turnover generated by Swiss watches in 2019. Europe represented 30% and America 15%.

Swiss watch exports per market in 2019

Markets	Mil of CHF	Variation	Part
1. Hong Kong	2,659.3	-11.4%	12.3%
2. USA	2,409.1	+8.6%	11.1%
3. China	1,994.0	+16.1%	9.2%
4. Japan	1,608.1	+19.9%	7.4%
5. United Kingdom	1,366.1	+10.8%	6.3%
6. Singapore	1,268.9	+14.6%	5.9%
7. Germany	1,126.9	+0.2%	5.2%
8. France	1,073.5	+0.2%	5.0%
9. Italy	969.8	-4.2%	4.5%
10. UAE	933.6	+2.4%	4.3%
11. South Korea	921.6	+4.9%	4.3%
12. Spain	392.3	-1.1%	1.8%
13. Saudi Arabia	322.4	-6.4%	1.5%
14. Taiwan	309.8	+1.2%	1.4%
15. Netherlands	259.5	-3.0%	1.2%
World	21,680.6	+2.4%	

Overall, watch exports to Asia increased by 2.3% compared with 2018. Not all the main markets were close to the average, however. Hong Kong was heavily penalised by the protests that have been taking place there since June, finishing the year with a fall of -11.4% (-25.9% during the fourth quarter). Conversely, China regularly increased its pace of growth, ending on +16.1%, while exports to Japan grew by +19.9%. Singapore (+14.6%) was the third market to achieve strong growth, thanks to an excellent second half. Growth in South Korea (+4.9%) was more moderate. In the Middle East, exports increased to the United Arab Emirates (+2.4%) but declined in Saudi Arabia (-6.4%).

The lowest level of growth was in Europe (+1.0%), driven mainly by the United Kingdom. Germany (+0.2%) and France (+0.2%) stagnated, while Italy (-4.2%), Spain (-1.1%) and the Netherlands (-3.0%) fell back slightly. America (+6.1%) was the most dynamic region, thanks to the United States (+8.6%), which alone absorbed three quarters of watch exports to the continent.

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