



## Press release

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Swiss watch exports in the first half of 2021

### A return to 2019 level

The first half of the year was an atypical one for Swiss watch exports, with some highly contrasting situations in the main markets. Following the crisis in 2020, the recovery in exports began and then accelerated, in a context that is still marked by the pandemic and the new normal that is now emerging. Among other things, the latter is the result of shifts in distribution and among consumers, both in geographical terms and in the luxury goods market.

The only country to recover in the summer of 2020 was China, which grew at a particularly fast rate. The United States then performed surprisingly well, making its own contribution to the recovery from February onwards, while the health situation in Europe remained complicated and suffered from both the lack of international tourists and the restrictions implemented to combat the pandemic. This situation lasted for most of the first quarter. During that time, the Swiss watch industry also had to deal with increased competition from other sectors in the luxury goods market, such as leather goods and jewellery. At the same time, there has been a marked increase in digital distribution since the start of the pandemic and logically, its weighting in the omni-channel strategy implemented by the brands has grown significantly. The importance of new generations of consumers – and their particular values – has also grown, prompting changes in how the industry produces, communicates and sells.

Watch exports were valued at 10.6 billion Swiss francs in the first half of 2021. This was comparable (-0.5%) to the result achieved in 2019, which is viewed as the reference year given that the historically poor performance recorded in 2020 does not provide a useful annual basis for comparison. The return to the levels seen before the crisis is encouraging and underlines the gradual normalisation of the situation, despite some changes in the structure of the results. Geographical polarisation has been accompanied by a similar trend among stakeholders in the sector and not all have enjoyed the dynamism suggested by the export statistics.

While prospects are gradually becoming clearer, they are still marked by a high level of uncertainty. Business is still dependent on how the health situation evolves and the restrictions that may be imposed on different markets. The trend seen since the start of the year suggests that there could be a return to the annual levels seen before the crisis in early 2022. This is faster than initially expected and would mean that the sector will have needed slightly more than a year to offset the sharp decline linked to the pandemic in 2020.

### Products

Wristwatches accounted for 95% of the value of Swiss watch exports. These were valued at 10.1 billion francs, a change of +0.8% compared with the first half of 2019. Volumes, however, continued to decrease. In six months, the sector exported 7.0 million items, 3.1 million fewer than in January to June 2019 (-30.4%).



The decline in volumes, which affected all groups of materials, was largely due to steel watches (-27.1%) and the Other materials category (-50.1%). Value was supported by the growth in timekeepers made from precious metals (+3.6%).

The slight increase in value was due to the growth (+7.4%) recorded by watches priced at over 3,000 francs (export price), while other segments declined significantly. This price range also saw an increase in the number of items exported (+5.6%), but without any real impact on the total, since the increase only represents just over 45,000 watches. Conversely, the overall result was impacted by the sharp decline (-38.1%) in items priced at under 500 francs.

### Markets

Asia exceeded the result achieved in the first half of 2019 by 1.5%, accounting for over half (54%) of Swiss watch exports. Europe saw a significant decline (-8.8%) and represented a quarter (27%) of shipments abroad. Exports to America accounted for 17%, with a very sharp increase in performance (+17.4%) over six months.

#### Swiss watch exports per market in the first half of 2021

Markets	Mil of CHF	Variation /2019	Part
1. China	1,499.7	+61.9%	14.1%
2. USA	1,418.0	+22.4%	13.3%
3. Hong Kong	1,100.3	-24.0%	10.4%
4. Japan	699.7	-12.4%	6.6%
5. Singapore	628.0	+4.8%	5.9%
6. United Kingdom	590.2	-15.4%	5.6%
7. Germany	488.7	-11.3%	4.6%
8. UAE	461.6	-3.4%	4.3%
9. Italy	425.7	-10.0%	4.0%
10. France	419.4	-20.4%	3.9%
11. South Korea	355.2	-22.1%	3.3%
12. Taiwan	156.4	+3.2%	1.5%
13. Spain	156.2	-17.9%	1.5%
14. Saudi Arabia	151.1	-5.4%	1.4%
15. Australia	133.2	+19.9%	1.3%
<b>World</b>	<b>10,626.1</b>	<b>-0.5%</b>	

Among the main markets, China (+61.9%) and the United States (+22.4%) recorded very steady growth. This was counterbalanced by the marked drop seen in Hong Kong (-24.0%), Japan (-12.4%), South Korea (-22.1%) and most European markets (-8.8%), with the Netherlands (+6.9%) among the few exceptions. Other important Asian markets such as Singapore (+4.8%), the United Arab Emirates (-3.4%), Taiwan (+3.2%) and Saudi Arabia (-5.4%) saw more modest fluctuations.

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