



Press release

for immediate publication

Bienne, 18th of July 2024

Swiss watch exports in the first half of 2024

Decline due mainly to China and Hong Kong

Swiss watchmaking followed the rest of the luxury goods sector by operating at two different speeds in the first half of 2024. On the one hand, China, which is facing a crisis in the property sector, a high youth unemployment rate, a lacklustre economy and a deterioration in the climate of trust, saw a marked decline (-21.6%), dragging Hong Kong (-19.9%) in its wake. On the other hand, the rest of the world produced a slightly positive result (+1.0%), confirming the high-level consolidation initially expected for the sector this year.

Swiss watch exports recorded a drop of 3.3% for the first six months of the year compared with January to June 2023, to 12.9 billion francs. Growth has thus halted after three years of increasing strongly in the aftermath of the pandemic. While a contraction in overall demand was expected, the particular situation of the Chinese market suggests significant uncertainty for the sector's medium-term prospects.

Consumers are cutting or deferring their discretionary spending in an uncertain and sometimes complicated landscape. Moreover, watches are facing competition from other luxury personal items, including leather goods and jewellery, which appear to be less affected by the slowdown. Above a certain price, however, the appeal of Swiss watches remains intact and results are steadily improving, including in China.

Alongside the difficulties in the Chinese market and although the global economy is proving resilient, Swiss watchmaking is under pressure due to the strength of the franc and, to a lesser extent, the consequences of increasing geopolitical tensions around the world. Subcontractors in Switzerland are facing more suffering from the slowdown in demand and say they are concerned for the future. With some orders deferred or cancelled, the lack of visibility suggests another difficult six months and significant concerns for 2025.

The polarised situation of Swiss watch exports looks set to continue until the end of the year. The differences between actors in the sector, markets and price segments will remain considerable and the final result is expected to be a significant decline compared with 2023.

Products

Swiss watch exports amounted to 12.3 billion francs during the first half, i.e. 3.2% lower than last year. Volumes were lower by 810,000 items compared with January to June 2023, at 7.7 million watches (-9.9%). The result by value was driven down by steel watches (-10.8%), while those made from precious metals grew (+2.0%).

The drop in value was almost exclusively due to the 500-3,000 francs (export price) segment, which represents only 15% of export turnover, but which fell by 19.0%. Watches priced at less than 500 francs fell by 7.0%, while products costing over 3,000 francs performed slightly better than last year (+0.7%).



Markets

Asia (-7.0%) accounted for a significant proportion of the overall decline, while the fall in Europe was limited to 1.1% on average. America, driven by the United States, achieved growth of 3.8%.

Swiss watch exports by market in the first half of 2024

Markets	CHF (million)	Variation	Share
1. United States	2,120.8	+3.6%	16.5%
2. China	1,091.4	-21.6%	8.5%
3. Hong Kong	1,008.5	-19.9%	7.8%
4. Japan	955.2	+7.7%	7.4%
5. Singapore	838.4	+0.5%	6.5%
6. United Kingdom	827.4	-1.4%	6.4%
7. France	670.9	+3.8%	5.2%
8. Germany	651.4	-5.1%	5.1%
9. United Arab Emirates	625.4	+0.7%	4.9%
10. Italy	515.7	-6.1%	4.0%
11. South Korea	385.0	+12.1%	3.0%
12. Spain	224.0	-3.5%	1.7%
13. Taiwan	206.0	+7.3%	1.6%
14. Australia	189.9	-4.3%	1.5%
15. Mexico	165.2	+20.5%	1.3%
World	12,890.2	-3.3%	

The US (+3.6%) strengthened its position as the leading market for Swiss watch exports, posting significant growth, despite an already high basis for comparison.

The sharpest declines were in China (-21.6%) and Hong Kong (-19.9%), while the other main Asian markets produced results that were either positive (Japan +7.7%, South Korea +12.1% and Taiwan +7.3%) or stable (Singapore +0.5% and the United Arab Emirates +0.7%).

In Europe, the United Kingdom (-1.4%) set the tone. France's performance improved, undoubtedly benefiting from the positive effect of the Olympic Games (+3.8%). Conversely, Germany (-5.1%), Italy (-6.1%) and Spain (-3.5%) all lost ground.

Contact:

Yves Bugmann, President
yves.bugmann@fhs.swiss