



Press release

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Swiss watch industry exports in 2017

Growth returns sooner than expected

The situation of Swiss watch industry exports improved steadily in the course of 2017. After declining for two years and reaching a new threshold, demand gradually picked up again. On the distribution side, a presumably tighter stock level was another factor conducive to recovery. A growing number of markets returned to growth, but several of them are still lagging behind.

In the end, Swiss watch industry exports fell just short of the 20 billion francs mark. They posted a result of 19.9 billion, up 2.7% against 2016. The trend stabilized in the first half (+0.3%), while the second saw substantial growth (+4.9%).

The forecasts made last year were confirmed a few months earlier than expected and the industry's dynamic is looking good for the future. Development of digital communication and distribution channels and the types of consumption favoured by the millennials will be priorities in 2018. In this context, watch industry export growth is likely to be comparable to that observed in 2017.

Products

Wristwatch exports dictated the general trend. Their value reached 18.8 billion francs, equivalent to 2.9% growth on 2016. For its part, the number of pieces continued to fall 1.1 million fewer timepieces were exported (-4.3%) with a total of 24.3 million pieces. This was the lowest figure since the 2009 crisis.

The decline in volumes was influenced by quartz watches which posted a fall of 7.4%. On the other hand, mechanical timepieces grew in terms of both value (+4.6%) and number of pieces (+3.9%).

These divergent trends are also observed between the principal price segments. Watches priced at less than 200 francs (export price) declined by 8.5% in volume and 11.6% in value, while the other ranges achieved growth of between 3% and 5% in value terms.

Value growth was supported primarily by products in steel; that material was used for more than one in two exported watches. Precious metal and bi-metal timepieces reported more modest growth. The decline in volumes was influenced mainly by the *Other materials* and *Other metals* categories.

Les statistiques diffusées par la FH reposent sur des chiffres d'exportation et non pas sur des chiffres de ventes aux consommateurs finaux. Il peut exister des écarts entre ces deux types de résultats. En outre, les statistiques FH résultent de la consolidation des exportations de toutes les entreprises horlogères suisses. Ces statistiques ne permettent pas d'établir l'évolution des affaires d'une entreprise ou d'un groupe en particulier, sachant que la marche des affaires peut être différente d'un acteur à l'autre.



Markets

During the year 2017, the fifteen main markets showed the following trend (total value in million francs and % variation by comparison with 2016):

1.	Hong Kong	2,524.7	+6.0%
2.	USA	2,050.1	-4.4%
3.	China	1,536.7	+18.8%
4.	United Kingdom	1,290.5	+7.0%
5.	Japan	1,229.4	-2.6%
6.	Italy	1,181.1	+0.0%
7.	Singapore	1,099.5	+8.5%
8.	Germany	1,077.6	-2.2%
9.	France	981.9	-0.4%
10.	UAE	891.4	-3.5%
11.	South Korea	699.2	+5.6%
12.	Spain	447.3	+0.3%
13.	Saudi Arabia	325.1	-6.4%
14.	Taiwan	304.5	-11.9%
15.	Austria	299.1	-1.4%

Asia (+4.8%), which generated one-half of all export sales, was the growth driver in 2017 thanks to a very good second half. Europe (+2.6%) saw more modest growth and slowed slightly, but remained an important player in the recovery. The United States failed to follow that same trend and depressed the figure for the whole American continent (-2.7%).

Most of the Far Eastern markets reported growth in 2017, while the Middle East was confronted with a more difficult situation. Recovering since the spring, Hong Kong (+6.0%) ended the year with strong growth. China (+18.8%) had been the first to recover and posted the strongest advance of all these countries. Despite a very good fourth quarter, Japan (-2.6%) ended on a moderate downturn. Singapore (+8.5%) and South Korea (+5.6%) maintained a pleasing trajectory, while the Middle East, United Arab Emirates (-3.5%) and Saudi Arabia (-6.4%) were still negative, even though their underlining trend picked up slightly.

In Europe, the United Kingdom (+7.0%) saw growth slacken steeply in the second half, but was still the main source of growth over the year as a whole. The other main markets remained stable or fell slightly.

Finally, news from the United States (-4.4%) was less good; here, sales were down for the third year in a row. Despite favourable economic conditions, this market is proving slow to recover its taste for luxury products, at least through the traditional sales channels.

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