



## Press release

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Swiss watch exports in the first half of 2015

### **Stability in line with annual forecasts**

Swiss watch exports remained at a high level during the first half of 2015, in a difficult economic context. Their total value was 10.6 billion francs. The result is comparable to that achieved in 2014 and corresponds to a variation of +0.4%. This stability is in line with forecasts established for 2015. There are signs however of a slowdown, with the first quarter advancing by 3.2% and the second registering a decline of 2.2%.

The detailed breakdown paints a less uniform picture. Europe clearly helped to boost the figures with growth of 9.8%. The American continent registered a more moderate but nevertheless significant upturn (+3.2%). In contrast, Asia recorded a decline of 5.5%, due mainly to the weakness of the Hong Kong market.

The strength of the franc had an adverse effect on the first half-year generally. Among the many actors hovering close to the median line, some therefore found themselves losing ground. A number of suppliers in particular are currently experiencing a difficult period, characterised by very low visibility. Some producers of finished watches are also affected.

The trend observed to date is likely to continue into the second half-year. Forecasts still indicate stability for the year 2015 as a whole, provided there are no significant changes to the environment.

### *Products*

Wristwatches accounted for 94% of Swiss watch exports by value, with a total of 9.9 billion francs (-0.3% compared to the first half of 2014). In six months, 13.5 million timepieces left Switzerland, corresponding to an increase of 440,000 units (+3.2%).

Mechanical and quartz timepieces saw their volumes increase by comparable rates. However only the former recorded an increase in value terms (+1.6%) while electronic watches registered a decline of 7.6%.

Precious-metal products showed a negative trend between January and June (-1.8% in value terms). Steel and bimetallic watches remained relatively stable. Growth in volumes was supported by most materials, with the exception of precious metals. The categories of other materials (+3.7%) and other metals (+16.7%) played a preponderant role in this upturn.

The main price segments for wristwatches presented different profiles during the first half-year. Watches costing less than 200 francs (export price) were the only ones to record significant growth, particularly in

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.



volume terms, with +6.5%. Between 200 and 3,000 francs there were declines of 3.9% and 3.2% in value and volume terms respectively. Timepieces costing more than 3,000 francs remained very close to their 2014 level (+0.8% in value terms).

### Markets

In the first half of 2015, the fifteen main markets showed the following trend (total value in million francs and % variation by comparison with the first half of 2014):

1. Hong Kong	1,615.9	-19.5%
2. USA	1,158.0	+4.2%
3. China	684.6	+5.3%
4. Italy	671.9	+14.2%
5. Japan	612.1	-6.9%
6. Germany	587.0	+1.4%
7. France	575.3	+8.3%
8. United Kingdom	559.9	+28.5%
9. Singapore	557.5	+8.1%
10. UAE	478.9	-8.1%
11. South Korea	344.3	+17.6%
12. Spain	232.7	+8.0%
13. Taiwan	221.3	+3.8%
14. Saudi Arabia	195.2	+6.3%
15. Thailand	145.9	+22.1%

Few markets recorded negative performances in the first half-year however they had a significant impact on the global average. Among the fifteen main markets, the three downturns observed were in Asia. Hong Kong, the leading export market, saw its value fall by 19.5%, reflecting a very worrying situation in terms of local sales. In fifth position, Japan lost ground (-6.9%) after an excellent 2014, but has shown signs of recovery in recent months. The United Arab Emirates, in tenth place, added its weight to the negative results (-8.1%) but also appears to have turned the corner.

The United States (+4.2%) did not record the highest growth overall, but has certainly been one of the most consistent markets over the past two years. It remains an important mainstay of watch exports. China (+5.3%) returned to positive territory, albeit thanks to a slightly inflated increase on account of temporary exports already flagged up in April. There were a number of significant increases in Europe, particularly Italy (+14.2%), France (+8.3%), the United Kingdom (+28.5%) and Spain (+8.0%). In sixth position, Germany (+1.4%) lacked the momentum of the former but recorded a positive result nonetheless. On the Asian continent, several markets also registered marked upturns in value.

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