



Fédération de l'industrie horlogère suisse FH
Verband der Schweizerischen Uhrenindustrie FH
Federation of the Swiss Watch Industry FH

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The word of

the President



In 2015 the watch industry experienced its first negative year since 2009, with a fall in exports of 3.3%. This is due to the downturn in trade in Hong Kong, China and Russia. The strong Swiss franc was also a strain on the profitability of firms, in many cases at least. I hesitate to use the word crisis, since exports remain at high levels. However this underlying trend conceals starkly different

realities in the sector, with a number of firms forced to resort to layoffs or short-time working. In addition, the pressure is particularly acute for subcontractors. While Asia ended the year in decline, the United States remained stable and Europe recorded a positive result, albeit impacted by the reduction in margins brought into play to stay competitive.

The year was also marked by the emergence of smartwatches. I remain convinced that smartwatches and traditional watches can co-exist, since they do not cater for the same needs. Without wishing to prejudge this new type of watch, there is room for Swiss brands in this segment and skills exist in our country. Indeed, some brands have embarked on this path.

The past year saw another decisive step in the “Swissness - Swiss made” project. The Federal Parliament rejected parliamentary initiatives calling for the project to be deferred on account of the economic situation. These decisions, which brought the parliamentary procedure to an end, allowed the Federal Council to set the date for entry into force of Swissness on 1st January 2017, and to open up for consultation a draft revision of the ordinance governing use of the name “Swiss” for watches, the famous OSM. Though the Federal

Council will take its decision in 2016 according to the results of the consultation, the revised OSM is also expected to enter into force in 2017.

Defending the Swiss made label abroad, the FH took action against a Chinese participant at the Hong Kong Watch and Clock Fair who exhibited a watch displaying the “Swiss” label without just cause. The panel, which officiates according to the model established at Baselworld, upheld the complaint by the FH based on the certification mark. The products were removed from display stands, and this case serves as a good example of how the Swiss watch industry’s interests are being upheld.

On the subject of intellectual property, I would like to highlight the record number of ads taken down offering fake Swiss watches on the Web. More than 600,000 were dealt with in this way, a significant haul in terms of unsold counterfeit watches.

The FH devotes much time and energy to the work of standardisation, and organised the ISO/TC 114 watchmaking conference in Lucerne. The perfect organisation and excellent atmosphere among participants contributed to the good results obtained, which, overall, were on a par with the expectations of the Swiss watch industry. Any standard, or its revision, calls for a consensus to be reached among watch industries competing together in a difficult world market. This is remarkable and exemplary in these troubled geopolitical times.

The year 2015 was therefore rich in activities and emotions. I hope reading about it in our report gives you as much enjoyment as we have had in defending the interests of the branch.

Jean-Daniel Pasche





Highlights

of 2015

One of the key features of 2015 was progress made in strengthening the Swiss made label for watches. In a crucial step in September 2015, the Federal Council adopted the Swissness enforcement ordinances, in particular revision of the ordinance on trademarks, whose entry into force is scheduled for 1st January 2017. At the Hong Kong Watch & Clock Fair, the FH once again deployed its surveillance activity. Consolidation of this operation over time is bearing fruit, and the fair's authorities are showing ever greater determination to crack down on violations of intellectual property. The fight against counterfeiting continues on the Internet too, where the emergence of social networks accounted for 65% of ads withdrawn from the Web. Another important event in 2015 was the ISO/TC 114 Conference, organised in Switzerland by the FH, which took place in Lucerne. The standard concerning diver's watches received particular attention from participants present at this event.



Swissness - Swiss made

Final step before entry into force

The 2014 annual report pointed out that in December of that year, the FH submitted a project to the Federal authorities with a view to revising the ordinance on use of the name “Swiss” for watches (OSM). At that time, no one suspected that the decision to lift the ceiling of 1.20 franc for 1 euro, taken by the Swiss National Bank on 15 January 2015, would have an effect on the Swissness project. Representatives of economic and political circles took advantage of this development to bemoan the effects of the strong franc. In particular, they asked the Federal Council to defer the entry into force of the project, arguing that the economy already had enough difficulties absorbing the monetary shock without the additional problem of adapting to Swissness. Criticisms were therefore raised, mainly against the implementation of this legislation in the food industry. These reactions took the form of parliamentary interventions.

The first was the representation made in March 2015 by State Councillor Hannes Germann. Under the pretext of enquiring into the economic impact of the project in question, he asked the Federal Council to defer Swissness without setting a time limit. In their response, the “Seven Sages” (Federal Councillors) made it clear that the strong franc did not require a reappraisal of Swissness. In view of the fact that goods imported from Europe were cheaper, it would even be easier to accommodate

Swissness from 15 January 2015. In the context of the strong franc, protection of the “Swiss” indication of origin acquired even greater importance, with violations of the Swiss made label on the rise. Finally, if Swissness were delayed it would jeopardise legal security, bearing in mind that firms had already started investing with a view to complying with the new legislation. On 10 June 2015, the Council of States rejected the Germann postulate by a large majority.

Meanwhile in May 2015, the Legal Commission of the National Council passed a motion seeking to postpone the Swissness project on the same grounds as the Germann postulate. This motion set pulses racing, mainly on the side of the food industry. Indeed, there were echoes of the parliamentary debate surrounding the bill itself, which was finally passed in June 2013.

The Federal Council refused to be side-tracked and, not waiting for the National Council to vote on the motion passed by its committee, took a number of crucial decisions on 2 September 2015. It adopted the Swissness enforcement ordinances, in particular revision of the ordinance on trademarks, and scheduled the entry into force of the project for 1st January 2017. In addition, it approved for consultation a draft revision of the OSM, with instructions for the relevant body to report back by 2 December 2015. This step was very important for the FH, which had been waiting for a revision of the OSM since 2007.

Some days later, on 8 September 2015, the National Council overwhelmingly rejected the motion passed by its committee, thus bringing to an end the parliamentary procedure concerning the implementation of Swissness. The process of passing and enforcing the bill will have required a total of 16 votes in Parliament, commissions included. The FH was involved throughout this process.

The consultation procedure is the last step on the path to revision of the OSM, in other words strengthening of the Swiss made label for watches. It means, too, that the FH project has been adopted by the Federal Council and that the latter is henceforth the body to which positions taken by parties to the consultation - cantons, political parties and economic associations - should be addressed. The FH remains very active during this consultation process in an effort to forestall any unwelcome surprises.

The Federal Council bill, which by and large reflects proposals made by the FH, specifies two new criteria to define Swiss made provenance, namely the introduction of a rate of technical development in Switzerland and its stipulation as a





Many participants attended the legal seminar on strengthening of the Swiss made label

requirement. Accordingly, at least 60% of the cost price must be realised on Swiss territory. This is a requirement introduced by the Swissness project (article 48c of the law on trademarks / LPM) which applies not just to watchmaking products, but to all industrial products. For the watch industry, the 60% rate has a twofold application. It concerns both the finished timepiece (watch head) and the movement. The initiative meets expectations among consumers, who have made clear their view that a Swiss watch should have a preponderance of Swiss value. This is substantiated by all polls carried out to date. A survey conducted on behalf of the FH in July 2015 by the institute gfs.bern confirms the belief among two thirds of the population that a product labelled Swiss made should incorporate a rate of Swiss value of at least 60%.

According to article 48c LPM, the indication of origin must correspond to the place where the activity that gives the product its essential characteristics is carried out. In addition to assembly and final inspection, already required today for the watch and the movement, one must now add technical development, an important process in the design and manufacture of these articles.

These three steps (technical development, assembly and final inspection) are key industrial activities which play a large part in creation of the product. Demanding a high level of technical

expertise, they contribute overall to the “birth” of the product. Among the design phases of a watch, development, i.e. elaboration of its constituent parts – generally carried out using CAD software – is an integral part of R&D. This stage allows the designer to research and optimise components (geometries, materials, size, theoretical efficiency, reliability, etc.). These are then tested physically at the prototyping stage, an essential step in the development process, which is also part of R&D since it allows the technical blueprint to be validated.

Development in this sense encompasses three steps: design, development and prototyping. Only the technical stages – development and prototyping – are required to be carried out in Switzerland. They concern only the watch head and the movement, leaving exterior components free to be sourced from abroad.

The Federal Council is expected to adopt the revised OSM in the summer of 2016. Its entry into force is scheduled for 1st January 2017, at the same time as the Swissness package. In addition, from this decisive date, a period of two years will be granted during which firms may sell off products manufactured in accordance with current legislation.



Hong Kong Watch & Clock Fair

Intensive surveillance

The traditional autumn watch industry gathering took place in Hong Kong from 8 to 12 September 2015. As has been the case since 2008, the FH organised its surveillance operation on behalf of 46 brands. The principle underlying this activity can be summed up in a single phrase: intellectual property is not negotiable. In concrete terms, the process on the ground involves setting limits to inspiration and getting those who overstep the mark “back into line”. And their number is considerable.

Since 2008, the date on which the fair’s organisers set up the arbitration body (hereafter the Panel), FH teams have filed more than 350 complaints. With the passage of time, the situation overall has improved. Generally, imitations are more prevalent than copies. The number of exhibitors who sail very close to the wind in terms of the design of their products is clear to see to any attentive observer, as the essential characteristics of successful Swiss watches are cleverly reworked in the product development offices of Chinese manufacturers. Under these particular conditions, the FH surveillance operation, initially coercive in its approach, is now also taking on a “pedagogical” aspect.



After scrutinizing 700 or more exhibitors occupying stands in the immense Wanchai Convention & Exhibition Center, FH teams recorded 47 violations in the year under review, which were subsequently passed to the Panel for a decision. After due deliberation, 33 violations were confirmed and 14 rejected.

If a violation is confirmed, the Panel asks the exhibitor at fault to sign an undertaking. At the end of the exercise, 32 undertakings were received. One exhibitor preferred not to

acknowledge his wrongdoing and refused to add his signature to the bottom of the document. His fate was sealed: he will be banned from the event in 2016. The exhibition’s authorities are therefore showing their determination to clamp down hard and decisively on violations of intellectual property.

In respect of the 14 violations deemed non-admissible, two sets of circumstances may apply. Members of the Panel sometimes conclude that contentious timepieces have specific features and design characteristics that differ noticeably from the original model, and that on these grounds their individuality can be asserted. In such cases the complaint is not upheld. It can also happen that contentious timepieces will have vanished into thin air by the time an inspection of the stand is made. It should be remembered on this point that, contrary to Baselworld, members of the Panel at the Hong Kong Watch & Clock Fair are not authorised to search stands. If the incriminating timepieces are not on display, the complaint is rejected.

In the period under review, violations for the most part concerned the copying of designs (28 cases), and to a lesser extent infringements of trademarks (5 cases).

The aim of surveillance is also to detect any misuse of the “Swiss” indication of origin. Thanks to the certification mark owned by the FH, now fully applicable to Hong Kong, abuses are taken to court on the basis of trademark law, an approach which seems to work well in the context of the exhibition. For the third time, the certification mark was used against an exhibitor who presented a line of watches bearing the indication “Swiss”. Examination of the timepieces on display clearly revealed through the transparent caseback a Miyota movement, accompanied by the indication “JAPAN” engraved on the oscillating weight. The deception was therefore self-evident and the penalty was quickly imposed. The timepieces were removed from display stands and large posters showing the collection in question were removed from sight. In addition, a ban was placed on use of the collection’s catalogues. The exhibitor caught red-handed signed the undertaking by which he acknowledged that conditions governing use of the name “Swiss” on watches must henceforth be respected.

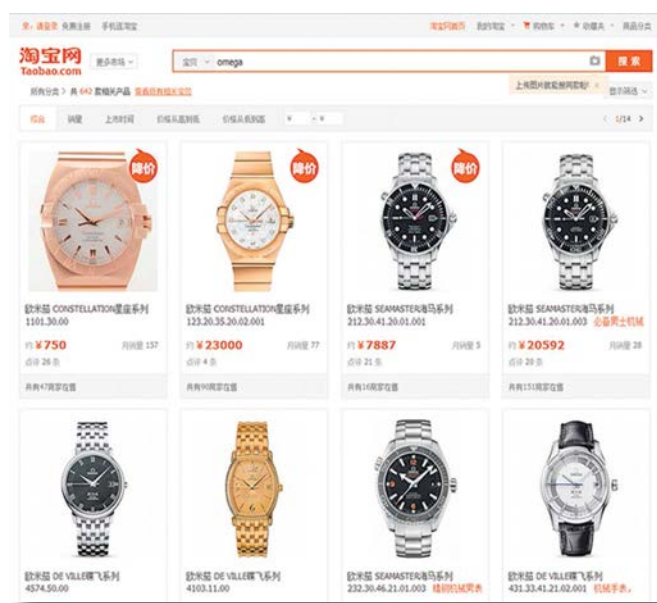
It should also be noted that a number of exhibitors presented, by way of asserting the Swiss nature of their watches, their trademark registration certificate issued by the Swiss Institute of Intellectual Property. A clever stratagem, but manifestly misleading. Thought will need to be given to this at the next fair to prevent the ruse from becoming more widespread.

Counterfeiting on the Internet

Social networks in force

The phenomenon observed since 2014 was confirmed in 2015, namely the growing use of social networks - particularly through mobile applications - as vectors for the sale of counterfeit products. For the first time since the creation of the Internet Unit, the rate of increase of new websites dedicated to the sale of counterfeit products slowed, as social networks began to take up the slack. There is nothing surprising in this. Indeed, counterfeiters are very professional and will go looking for their “clients” wherever they can be found: on Facebook, Instagram, YouTube, etc., the list goes on. We are therefore seeing a shift in the phenomenon which must be taken seriously. Even if the tools in place are maintained – websites still exist, in some cases very visibly – it is necessary nonetheless to consider the role of social media as a separate entity, and to devote resources to it in terms of surveillance and actions. Experience gained with other, more “historic” Internet players allows us to speed up decision-making and establish a constructive dialogue with the companies concerned, so that bad seeds can be quickly eradicated. For example, of the 603,945 ads withdrawn in 2015 - a record since the creation of the Internet Unit – more than 65% related to social networks. In addition, more and more sales platforms are available through mobile applications only, such as wish.com for example.

Another new development concerns ads with no visible brand name, a shrewd method which is sometimes used to mislead consumers. In effect, counterfeiters conceal or remove brand names from their advertising visuals and mention them only through key words familiar to the initiated. However, the dispatched watch does indeed display a brand name and is in fact a counterfeit product liable to be seized by the authorities.



Website proposing counterfeit products

Some pleasing news on the website front: the FH has made further seizures of domain names in the United States in relation to high-visibility websites whose existence has been known for some time. In one case, proceedings resulted once again in the seizure of Paypal accounts used by counterfeiters for their unlawful activities. The sequestered funds mean that actions on behalf of members can now be almost entirely self-financed.



ISO/TC 114 – Watchmaking Conference

In Lucerne in May

The 22nd ISO/TC 114 – Watchmaking Conference took place from 18 to 22 May 2015 in Lucerne. The meeting allowed experts from six delegations (China, France, Hong Kong, Japan, United Kingdom and Switzerland) to hold discussions with a view to developing a number of projects, which they did in an atmosphere of conviviality, collaboration and consensus.

In the course of these few days, work focused primarily on revision of the standard *ISO 6425 – Diver's watches*. The main modifications envisaged concern a better definition of test methods and their chronology. Some tests will be abandoned (salt water test) and others added (salt spray test). A clarification of definitions, minimum luminosity, and diving duration was also discussed.

With regard to watches made of hard materials, the draft technical specification was finalised and published for a period of three years. This should be enough time for a standard to be produced on the subject.

Batteries, including those integrated in watches, come under the remit of a different technical committee (IEC/TC 35). The ISO/TC 114 expert delegated to IEC/TC 35 is particularly busy and has enabled progress to be made on several fronts, in particular regarding a better definition of the dimensions and tolerances of button batteries, as well as the introduction of rechargeable batteries for watches.



Jean-Pierre Curchod, president of the Standardisation Committee

China, responsible for the technical subcommittee dealing with clocks and miniature clocks, presented a new draft standard concerning the latter's packaging and transportation. The least that can be said is that those experts present were not bowled over by the proposal and the delegations (with the exception of China) rejected it in the ensuing vote. The main argument justifying this rejection is that packaging and transportation of items is already the remit of another ISO technical committee specially assigned to those particular subjects.





Swiss Delegation

By the end of the conference, ten or more resolutions had been adopted, testifying to the work carried out. It should be noted also that all decisions were taken unanimously, thus obviating the need for further discussions or negotiations.

It was therefore on a positive note that the delegations took their leave of one another after making a note in their diaries for the next international ISO/TC 114 - Watchmaking conference, which will take place in Hong Kong in the autumn of 2017.





Panorama of the

2015 activities

As the umbrella organisation of Switzerland's third largest export industry, the FH pursues multiple objectives. These include improving framework conditions for the sector in Switzerland and the rest of the world, tackling the problem of counterfeiting, supporting its members and keeping them, the media and consumers informed. The following pages present a non-exhaustive selection of its activities in 2015.



Improvement of framework conditions

During the year under review, the FH pursued its objectives of defending the interests of the branch in relation to Swiss and foreign authorities. To this end, it paid close attention to various ongoing negotiations aimed at concluding new free trade agreements or revising existing agreements. These negotiations, either bilateral or conducted through EFTA, concern markets such as Brazil, China, the Gulf Cooperation Council (GCC), India, Indonesia, Russia and Turkey.

At the same time the FH also made approaches to around a dozen countries, including Algeria, Belarus, the Baltic states and Uzbekistan, particularly, though not exclusively, in conjunction with official trade missions by Federal Councillors, bilateral joint committees, or visits by foreign delegations to Switzerland. Conditions governing access to markets and the protection of intellectual property rights were among the main subjects raised. The paragraphs below provide a brief overview of efforts made in this respect.

Brazil

Difficulty accessing the market and the problem of counterfeiting remain high on the list of FH priorities for this country. While we applaud the gradual introduction of domestic measures intended to reduce bureaucracy, timescales and costs linked to foreign trade ("Electronic Single Window"), there is still much to be done.

More worryingly, the economic recession has been in place formally since the second half-year and has had a damaging effect on business. The fall in world commodity prices, dependency on certain trade partners, the explosion of private debt, inflation, collapse of the real and worsening of the public accounts are among many factors explaining the marked contraction in activity generally. In 2015, not surprisingly, the downturn in Swiss watch exports continued for the third consecutive year.

In fact, after reaching its apogee in 2010, the Brazilian economy today is confronted by a complex situation and a return to "business as usual" will undoubtedly require a reappraisal of the development model, particularly in terms of governance, industrialisation and indebtedness. Liberalisation of the market and an increase in trade are also certainly factors. On this point, at the seventh bilateral joint committee which met in Berne in December, the FH once again voiced its support for exploratory talks with a view to a free trade agreement between EFTA and Mercosur, the Latin American economic community of which Brazil is evidently a key member. To have any chance of

success, such a perspective requires a unity of doctrine within different member states of Mercosur, and in this respect the recent change of political majority in Argentina appears to be what is probably a decisive opportunity. Certain remarks would tend to indicate that Brazil at all events is convinced of this.

On the anti-counterfeiting front, the FH also noted that in 2016, Brazil and more particularly Rio de Janeiro will again for some time be at the forefront of world attention on the occasion of the forthcoming Olympic Games. With this in mind, while offering its support, the FH asked Brazilian representatives to take all possible measures to fight effectively and rigorously against the proliferation of counterfeit watches during this particularly high-risk period, as was the case at the last football World Cup.

China

The FH paid particularly close attention to implementation of the Switzerland-China bilateral free trade agreement which entered into force in July 2014. Some administrative difficulties with Chinese customs have persisted, both for manufacturers of Swiss watches and exporters in other industries. More specifically, provisions concerning the direct transportation of goods were the subject of many discussions throughout the year 2015. It must be said that the latter need to be manifestly



Jean-Daniel Pasche (FH), Christine Büsser Mauron (SECO), Gao Yanmin (Ministry of Industry and Information Technologies) – Beijing, February 2015

simplified and clarified with the Chinese customs administration, although fortunately, as things stand, the Swiss watch industry is less affected, since the main complications relate essentially to maritime transport.

On a similar note, simplified procedures regarding the transportation of goods in transit via Hong Kong were able to be confirmed. In concrete terms, presentation of the air waybill, with indication of departure and arrival points for goods (both situated in parties to the agreement) removes the obligation to present the Non Manipulation Certificate normally required by Chinese customs.

Still in relation to the free trade agreement, at the start of the year the FH attended the second meeting of the watchmaking working group in Beijing, which brought together representatives of the two countries' governments and watchmaking associations. Having begun a year ago, the group's work has explored in more depth problems concerning the protection of intellectual property (trademarks, Swiss made), the training of authorities, and anti-counterfeiting measures, particularly on the Internet. On the latter subject, the FH confirmed the opening of a hotline manned by the FH Centre in Hong Kong which provides assistance on request to different Chinese partners regarding the identification of products bearing the Swiss made indication.

The 23rd bilateral joint committee which followed immediately afterwards allowed the FH to convey its concern regarding the future of the excise duty levied on high-end Swiss watches (luxury tax). Indeed, the Chinese government has plans to effect a large-scale fiscal reform which could potentially include not only a de facto increase in the rate of the duty, but also a more marked distortion of competition should the threshold be lowered in order to increase the tax base. This reform will of course be enacted under the sole competence and authority of the Chinese government, however the FH maintains that such a prospect, were it to come to pass, would run fundamentally counter to the spirit and expectations of the free trade agreement signed two years ago.

Gulf Cooperation Council

In a novel turn of events, entry into force of the free trade agreement between EFTA and the GCC (Saudi Arabia, Bahrain, United Arab Emirates, Kuwait, Oman, Qatar), scheduled for 1st July 2014, had to be postponed for a year after customs administrations in some GCC member states stated that they



Swiss delegation to the watchmaking working group

were unable to transpose all specified provisions and regulations on time. This very unusual interim period gave rise to considerable confusion with regard to preferential treatment, and it was necessary to organise temporary customs clearance procedures in order to safeguard the flow of goods. In these circumstances, the FH was asked by its members on several occasions to help provide a solution to certain specific situations. More generally, the FH emphasised the lack of transparency and information on the part of certain customs authorities in terms of the documents they require to be presented and their occasionally excessive demands. It also noted that the fear of pernicky enforcement of regulations, resulting in a significant lengthening of customs clearance times, as well as the introduction by certain GCC member states of new provisions that are possibly in contravention of the free trade agreement, have led to ongoing concern among exporters and their local distributors. Even if a degree of normalcy was re-established in the autumn of 2015, uncertainty continued to hold sway and a perceived loss of security prevailed among many actors on the market. It is to be regretted that these circumstances have led some watch exporters and their clients to refrain, at least for the time being, from taking advantage of the free trade agreement.

In view of this situation, the FH increased the frequency of its ad hoc interventions. It continues of course to monitor very closely the work of the joint committee responsible for implementing the agreement.

India

Two missions to India were recorded in the FH diary in May, namely the 14th bilateral joint committee and, immediately afterwards, the official visit by Federal Councillor Johann Schneider-Ammann, the aim of the latter being to relaunch the negotiation process in pursuit of a free trade agreement with EFTA.

At a political level, discussions with different ministers, in particular the Minister for Trade and Industry, highlighted the openness to dialogue of the new Indian government in place since May 2014, as well as its determination to implement reforms. While such intentions engender a degree of optimism as to the development of bilateral relations, it must also be said that the road ahead is long, with many obstacles yet to be overcome. As things stand, the conclusion of a free trade agreement remains dependent on the degree of liberalisation of trade which can be attained and the resolution of problems linked to the protection of intellectual property rights. On the latter subject there is today considerable ground still to make up. In effect, India's application of and compliance with minimum standards specified by WTO regulations on the trade-related aspects of intellectual property rights (TRIPS), in relation to patents, remain decisive for a large number of Swiss export industries, including watchmaking. At stake is a principle of paramount importance to the FH, given its mission to protect intellectual property rights and assert their value.

Other more technical bilateral problems were examined by the joint committee which held its meeting at the Ministry of Trade. On this occasion, the FH intervened in three key areas.

It argued firstly in favour of the liberalisation of majority holdings in single-brand watch retailers. This type of investment is tightly supervised by Indian legislation, which also imposes a number of important restrictions: impossibility of combining with other modes of distribution or sale, obligation of a 30% rate of resupply from Indian SMEs, etc. Moreover, authorisation procedures are time-consuming and costly, not least due to the fact that legislative texts often give rise to different interpretations on the part of the Indian authorities.

It is interesting to note here that one authorisation for such an investment was indeed issued by the Ministry of Trade during the month of August.

Next, protection of the Swiss made label for watches. It is too often the case that watches bearing an unlawful Swiss made indication are in fact sold with impunity and in large quantities on the Indian market. Disappointment among duped consumers is greater still when they realise, in addition, the poor quality of the products they have purchased. The label's reputation is seriously affected by this state of affairs and the FH therefore insisted with particular force on a stricter application of legal provisions protecting geographical indications generally, and the Swiss made label for watches in particular, not least on grounds of unfair competition stipulated by Indian legislation on the protection of trademarks. A number of concrete cases of violations of Swiss made were forwarded to representatives of the Ministry of Trade on this occasion.

Lastly, difficulties in a real sense in accessing the market. Customs duties and other taxes, levied when goods are imported and throughout the marketing process, add significantly to the price of products. While on the one hand a free trade agreement should in theory enable the question of customs duties to be resolved, on the other the envisaged fiscal reform to replace VAT and other domestic taxes with a new, single tax (Goods & Services Tax - GST) is expected by everyone in India. Clearly, a reform such as this can only be envisaged if it effectively removes unwarranted double taxation, guarantees



Johann Schneider-Ammann



Swiss delegation on a visit to the Indian Institute of Management in Bangalore

fiscal neutrality, and brings genuine administrative simplification to all levels of tax collection. The stakes are high, and this reform, planned initially for 2016, is certain to be late in coming, if only because of the deep-seated differences that persist between central government and the 29 states of the republic.

Indonesia

In office since October 2014, the new Indonesian president Widodo is impatient to implement a raft of major reforms: education, health, investment, infrastructure, administration, etc. His country's greater integration in international trade is also one of his top priorities. Clearly these are very ambitious goals,

but a transition of this nature deserves to be given recognition. And that is precisely what the bilateral joint committee did at its fourth meeting held in Berne. For the Swiss side, the State Secretariat for Economic Affairs (SECO) and representatives of economic circles, including the FH, pressed for a rapid resumption of negotiations launched four years ago to establish a free trade agreement with EFTA, bearing in mind moreover that Indonesia is pursuing such negotiations with other partners, including the European Union.

As well as the need for easier access to the market, the FH for its part also asked the Indonesian delegation for the country's authorities to show greater determination in the fight against counterfeiting. It is still too often the case that counterfeit Swiss watches are more or less freely available on the





Joko Widodo

Indonesian market. In addition, cooperation with the police and judicial authorities remains problematic, particularly in terms of organising seizure operations and the destruction of illicit goods. Furthermore, the way in which penalties are imposed on those brought to trial remains obscure, and penalties themselves often lack any real dissuasive power. The FH of course reiterated its willingness to support the Indonesian authorities concerned.

Among the first reforms to enter into force and directly relevant to the sale of watches, mention should be made of the abolition, as of 9 July, of the 40% luxury tax levied hitherto on precious metal watches. The removal of this prohibitive and discriminatory tax had long been requested by the FH.

Russia

The Ukrainian crisis and, as a corollary, economic sanctions enforced by the European Union and the United States, continued to cast a shadow over the business climate throughout 2015. In already tense circumstances, the decline in energy revenues and the fragility of the rouble added to the woes of the Russian economy. This sufficed to ensure that watch exports to this market recorded a steep decline of 30%. The absence of Russian customers in certain tourist regions of Europe and the Middle East, at times pronounced, served only to worsen the situation.

In light of the above and as in 2014, discussions held by Switzerland and its EFTA partners with a view to concluding a free trade agreement with the RuBeKa customs union (Russia, Belarus, Kazakhstan) remained on hold throughout the year under review.

On the occasion of the 16th bilateral joint committee which met in Moscow at the start of the year, the FH was forced to reiterate its request to the Russian authorities to amend legislation concerning consumer protection and warranties. As things stand, watches are not currently included in the category of so-called “technically complex” products, which gives consumers extended, if not disproportionate rights, particularly as regards refunds. Compared to international practice, these unique provisions go too far and are potentially a source of major abuse. It goes without saying that the FH continues to lobby hard to bring about this change in the legislation, which when all is said and done seeks merely to apply to watches standard warranty rules that prevail internationally.

With the support of the Swiss embassy in Moscow, the FH also approached the ministry of natural resources and ecology to oppose a planned environmental tax linked to the mandatory recycling of certain products, including watches. On this occasion the FH drew attention to the numerous standards applied within the watch industry (for example on allergenic materials) and other restrictive European regulations (REACH), as well as different recycling measures already implemented by distribution networks. The method of calculation of the proposed tax, which is particularly prohibitive and discriminatory, was strongly contested. For their part, Russian economic circles asked for the plans to be shelved for a period of two years.

In the end the draft decree was tabled. However, intervention by the FH, amongst others, will have succeeded nonetheless in excluding watches and other watchmaking components from the list of targeted products.



Information and public relations

Relations with the media

The FH maintains an excellent working relationship with the media, which regularly requests information on how the industry is progressing or particular subjects of relevance to the watchmaking world. For its part, the FH regularly distributes press releases.

In addition to frequent contact with the specialist press and numerous enquiries received at watch exhibitions, particularly the SIHH in January and Baselworld in March, the president gave interviews to Swiss and international press agencies. In the course of the year 2015 he also gave a number of talks: Büren Lions Club, Association of Swiss Cities, Francophone Committee of Swissmem, and also Bienne High School.

General Meeting

The 2015 General Meeting was held in Lausanne on 25 June in the presence of delegates and members of the FH and many guests. The latter included in particular State Councillor Philippe Leuba, head of the Department of Economy and Sport of the canton of Vaud, national councillors Jean-Pierre Grin (Vaud) and Jacques-André Maire (Neuchâtel), as well as Thomas Jordan, Chairman of the Board of Directors of the Swiss National Bank and the day's keynote speaker.

Berner Dictionary

The FH continued its work to update the Illustrated Professional Dictionary of Horology, known more generally as the "Berner Dictionary". This is no small task since it involves the revision of around 4,800 terms, the updating of numerous illustrations and the incorporation of new definitions.

The project is being conducted by the FH with the assistance of a group of permanent experts, whose members are as follows: Bernard and Marlyse Muller, designers and authors of books on horology, François Klopfenstein (ETA), Marco Richon, former curator of the Omega Museum, Antoine Simonin, former director of WOSTEP and publisher of horological works, and Jean-Pierre Golay (Frank Muller). The group also calls on non-permanent experts for help with special subjects. The group is chaired by Jean-Daniel Pasche (FH).

Watch industry statistics

The Federal Customs Administration prepares watch export statistics and delegates their management to the FH. This data produced by an official authority is the industry's main benchmark in terms of figures. The many requests received on their account reflect the strong interest shown today in the Swiss watch industry. The Federation of the Swiss Watch Industry was



2015 General Meeting in Lausanne



therefore able to provide information to journalists, students, financial analysts and other enthusiasts of Swiss watches either through monthly publications on its website, or directly, on a personal basis. Subscribers to the quarterly magazine Tendances had access to more detailed information and a broader analysis of the development of Swiss watchmaking.

Revue FH

The Revue FH maintains a print run of 1,600 copies, with twenty editions published each year. Last year it continued to keep members and subscribers up to date with the latest watch industry news both at home and abroad. Interest among actors in the industry keen to see an article published describing their activities, or seeking to reach a wider audience by placing an ad, has grown steadily since the publication received its new look in the spring of 2013.

Internet site

The FH website registered several million hits in 2015. Most visitors took an interest in statistics, the Illustrated Professional Dictionary of Horology (Berne dictionary), and the news, reflecting topics of interest relating to the FH, watchmaking firms and new products placed on the market.

Think Time Think Swiss Excellence

The FH promotional exhibition, Think Time Think Swiss Excellence, benefited from a minor facelift at the beginning of the year. The panel devoted to History was updated, while the FH panel was modified to provide more information to the public concerning the Swiss made label for watches. The exhibition also received a welcome wall, as well as two Internet terminals with a link to the website www.fhs.ch, allowing visitors to



obtain further information. Lastly, the exhibition was deployed on izi.TRAVEL, an application providing free online access to a wide range of museum and city visits around the world.

From 20 April to 3 May 2015, Think Time was presented inside Zurich airport, near the boarding gates of zone A. The aim of this promotional operation was to kindle interest among passengers in transit and to take advantage of waiting times among travellers leaving the country. The site was an excellent choice, with gates A located near the Airside Center and its shopping mall, i.e. at the very heart of the airport.

At the beginning of November, at the Cité des Métiers in Geneva, Switzerland's largest fair dedicated to vocational training took place (more than 70,000 visitors in 2015). The event allows young people and adults to discover numerous skills in action, talk with professionals and narrow down their search for a new career. The FH chose this year to team up with the UFGVV (Union des fabricants d'horlogerie de Genève, Vaud et Valais) on its Watchmaking-Jewellery stand, a platform for dialogue and discussion intended to promote the industry's professions among members of the public. Think Time added to the mix its educational and interactive content designed to capture the attention of young visitors.

As soon as the doors of the Cité des Métiers closed, the exhibition set off on a short tour of the Middle East. It was presented in Dubai at the Salon des Grandes Complications (from 16 to 19 November) and in Bahrain during Jewellery Arabia (24 to 28 November). It had been 10 years since Think Time last visited the Middle East.

The Salon des Grandes Complications, now in its second year, presented thirteen renowned watch brands in one of the halls of the DIFC, a business centre well known to Dubai residents. Benefiting from a favourable legal and tax regime, the DIFC provides firms with an excellent platform to meet high local demand for financial and economic services. The centre is a prestigious venue and an ideal base for companies keen to go that extra mile to meet local or expatriate clients. In a relaxed atmosphere, exhibitors had complete freedom to present their latest collections, and in particular a selection of mechanical masterpieces.

Over the years, Jewellery Arabia has become a red letter event in the region's calendar. With more than 600 exhibitors occupying a floor space of around 21,000 square metres, this fair is currently the most important event to be held at Bahrain Exhibition Centre. In 2015 it attracted nearly 50,000 visitors



Think Time in the heart of the exhibition at the Cité des Métiers in Geneva



Salon des Grandes Complications in Dubai

from 53 countries. The great majority of these came from Saudi Arabia (32%), and to a lesser extent other Gulf States (Kuwait, Qatar, Oman and the United Arab Emirates). Each year, a largely female clientele can be assured of crossing every item off its shopping list, from costume jewellery to diamond-encrusted diadems. Watch brands are represented by and large through their respective retailers.

Reaching out to the public and professionals, sounding out markets and disseminating information in a fun and educational way were among the goals the exhibition set out to achieve. It was seen by large numbers of people, including private individuals and professionals, novices and enthusiasts.

Presence at Baselworld

Held from 19 to 26 March, the Baselworld Watch and Jewellery Fair brought together 1,500 brands and around 150,000 visitors. In collaboration with the Swiss Exhibitors' Committee (representing the 288 Swiss firms at the show), the FH was on hand to serve as an interface with professionals and answer questions from the public and journalists. Located in the Press Center enclosure, the stand occupied by the Swiss Exhibitors' Committee provided an ideal platform for meetings and discussions.



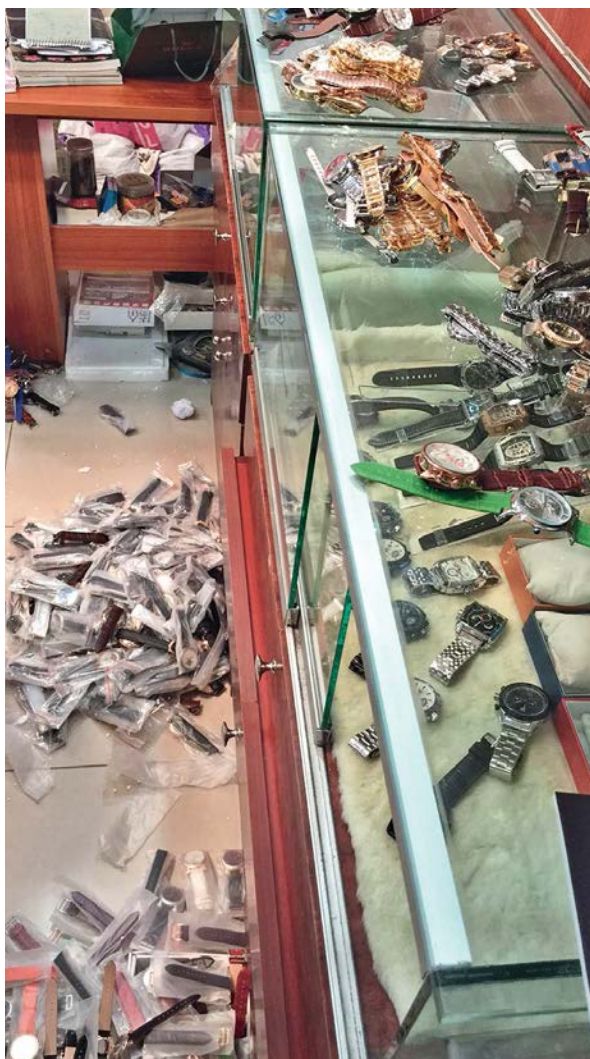
The fight against counterfeiting

Scope of activities

Through its Legal and Anti-Counterfeiting departments, as well as its Internet Unit, the FH is closely involved in the fight against counterfeiting. Reserved to members of the Anti-Counterfeiting Group (GA) and the Internet Unit, these services include a number of activities: analysis of fake watches, protection of Swiss geographical indications,

investigations on markets, defence of members' intellectual property rights, awareness-raising among authorities and the population, and efforts to prevent the online sale of counterfeit watches.

Since the GA publishes a separate report each year, we shall only provide an overview of its activities here. However, anyone interested in receiving more detailed information may request a copy from the Legal Department.



Seizure in the United Arab Emirates

Geographical indications

The geographical indications “Swiss” and “Geneva” enjoy an excellent reputation worldwide, particularly as regards watchmaking products. They are synonymous with quality and correspond to strict production criteria. Their protection is therefore one of the major concerns of the Anti-Counterfeiting Group. During the year 2015, thanks to surveillance activities conducted on a daily basis, around thirty cases were opened against companies in breach of Swiss geographical indications.

The FH also took action against the Chinese online sales platform Tmall.com, on which many infringements of Swiss made had been noted. This intervention bore fruit following the introduction of an informal system of notifying violations by email to a group staff member responsible for intellectual property.

Applications to register trademarks in class 14 (watchmaking products) were also actively monitored. Whenever a violation of Swiss geographical indications is noted, the FH takes up the matter with the competent authority. In 2015, around sixty cases were opened. In more than 80% of cases, either the registration application was abandoned, withdrawn or refused, or the applicant signed an agreement with the FH undertaking to restrict the use of the trademarks concerned to products of Swiss origin.

United Arab Emirates

In 2015, the FH took action for the first time in the Emirate of Ajman, more precisely in the China Mall, where many counterfeit products are sold. Different operations conducted throughout the year in collaboration with local police resulted in the seizure of around 64,000 counterfeit watches.

In parallel, seizures were made in Dubai, where the FH has been active for a number of years. Here, operations were carried out at the Dragon Mart, and also in the Deira district, leading to the seizure of more than 21,000 fake watches.

In total, nearly 90,000 timepieces were confiscated by the police in the course of the year, to which must be added around 36,000 watches seized by the Dubai Department of Economic Development (DDED).

Spain

In the summer season, the FH organises an action programme each year in Spain to reduce the visibility of timepieces on tourist markets. Targets for the year 2015 included the Canary and Balearic Islands, where fake Swiss watches remain highly visible. The different operations carried out resulted in the seizure of around 1,800 counterfeit timepieces.

Greece

Greece is known to be one of the most important points of entry of counterfeit products to Europe. However, its political and economic situation makes police operations on the ground difficult. Most seizures carried out are on a modest scale (at most a few hundred timepieces). Even so, during the year 2015, a major operation conducted in an Athens warehouse led to the confiscation of more than 50,000 watches.



Seizure in Greece



Seizure in Turkey

Morocco

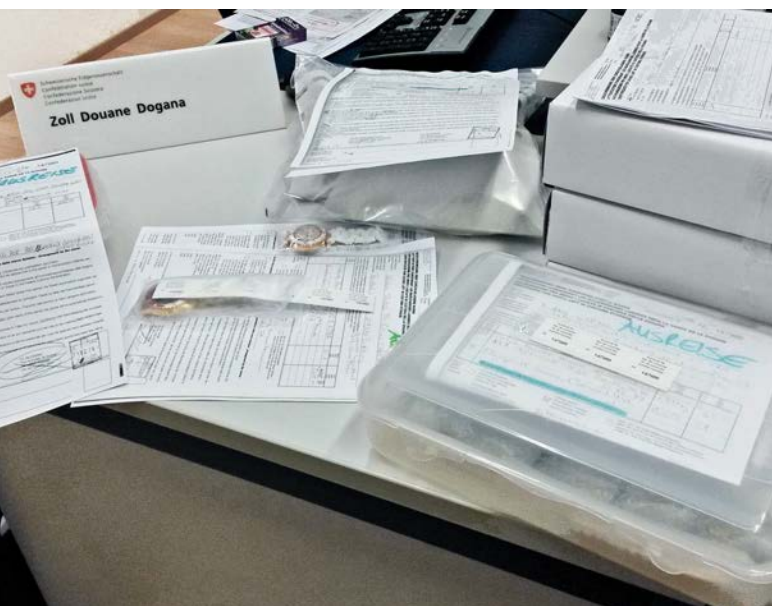
The FH has been active in Morocco for just over a year and results so far are encouraging. Indeed, the three seizure operations conducted in Casablanca and Agadir led to the confiscation of no fewer than 180,000 fake Swiss watches.

Turkey

One of the nerve centres of counterfeiting, Turkey is a priority target in the fight against fake watches. Efforts have been ongoing here for a number of years in different regions of the country. During the year 2015, the ninety or more seizures carried out by Turkish police and customs authorities enabled more than 30,000 fake watches to be confiscated.

Baselworld

As is the case each year, the FH conducted various operations in the context of Baselworld. In 2015, two teams were dispatched firstly to Basel and Zurich airports during the days



Surveillance operation at Zurich airport

preceding the fair to monitor watches arriving for the exhibition. Timepieces in breach of Swiss geographical indications were confiscated, either to have changes made or to be destroyed. A surveillance operation was also organised in the Baselworld enclosure to ensure that watches presented on stands and display cabinets were compliant with Swiss legislation. FH teams noted that proven violations are becoming increasingly rare, which is proof that actions carried out over a period of several years are now bearing fruit.

Awareness-raising and training of authorities

Awareness-raising and training of police and customs authorities are top priorities for the FH in its fight against counterfeiting. The problem is growing rapidly, and this calls for knowledge to be constantly updated. The FH plays an active part in this continuous training by presenting the latest new methods used to detect fake Swiss watches. In 2015, it took part in training workshops at Paris-Roissy, London (Heathrow), Athens and San Francisco. These sessions are important, since they allow FH teams to discuss problems encountered daily by authorities on the ground and offer concrete and personalised solutions to facilitate their work.

Actions on the Internet

Due to the phenomenon of confluence with social media mentioned in the Highlights section of this annual report, results in terms of the withdrawal of ads went through the roof in 2015. More than 600,000 advertisements were withdrawn in twelve months, for platforms and social networks alike. Results achieved by the FH via its Internet Unit therefore improved greatly, a performance also attributable to specific, newly developed monitoring tools that allow a greater number of ads to be notified.

However, there is still much to be done and it is important to closely monitor all new distribution channels for counterfeit goods. Recent customs seizures have highlighted certain ads which are available essentially on mobile phone versions of social networks and which often refer potential buyers to websites that are virtually invisible to search engines. Sometimes ads only target users that satisfy particular profile criteria (sex, age, preferences, location, etc.). Swiss customs seizures confirm a very sharp increase in purchases via mobile phones, and as a result monitoring work must adapt to these new trends. Another factor to be taken into account is that these customers are relatively young and less well-informed about the risks of buying counterfeit products. Often, ads are also misleading and do not always give an indication of the counterfeit nature of products, particularly if brand names are deliberately blurred or even deleted altogether from images. However, the watches seized by customs do in fact display a trademark which is protected in Switzerland. Internet users also tend to lack caution and sometimes show a degree of naivety – if not bad faith – in believing that brand-name watches can be sold at discounts of up to 90%. It is necessary therefore to make consumers aware of this growing problem, and to encourage them to be more circumspect in their approach.

Consequently, the FH is strengthening its cooperation with the main social networks with a view to simplifying the work of detection and surveillance. Suspicious offers can therefore be notified more easily and quickly in view of their growing volume.

In a move to improve its efficiency, the FH opened an Internet Unit at its Hong Kong offices in October 2015. In the space of a few years, Asian platforms have become important sales channels for counterfeit watches. Despite expertise developed over time, and also for linguistic and cultural reasons, the surveillance of Asian platforms is extremely difficult. Many offers are targeted at the local market only and do not appear in searches initiated from abroad, particularly from Switzerland. The new

team therefore benefits from tools developed and experience acquired by the Swiss Internet Unit, while at the same time enjoying the benefits of language and proximity.

The activities of websites continue to be closely monitored. However, a trend has become apparent over the last two years or so: the rate of increase of newly discovered websites is decreasing. This can be explained by the transfer of activities to social networks. It remains true nonetheless that websites dedicated to counterfeit goods still represent a core problem which must be tackled head on, not least by calling to account technical intermediaries and, if necessary, seizing domain names or all identified assets. In 2015, the FH was able to seize the assets of Paypal accounts used by sellers in the United States. The money was confiscated and paid to rights holders by way of compensation.

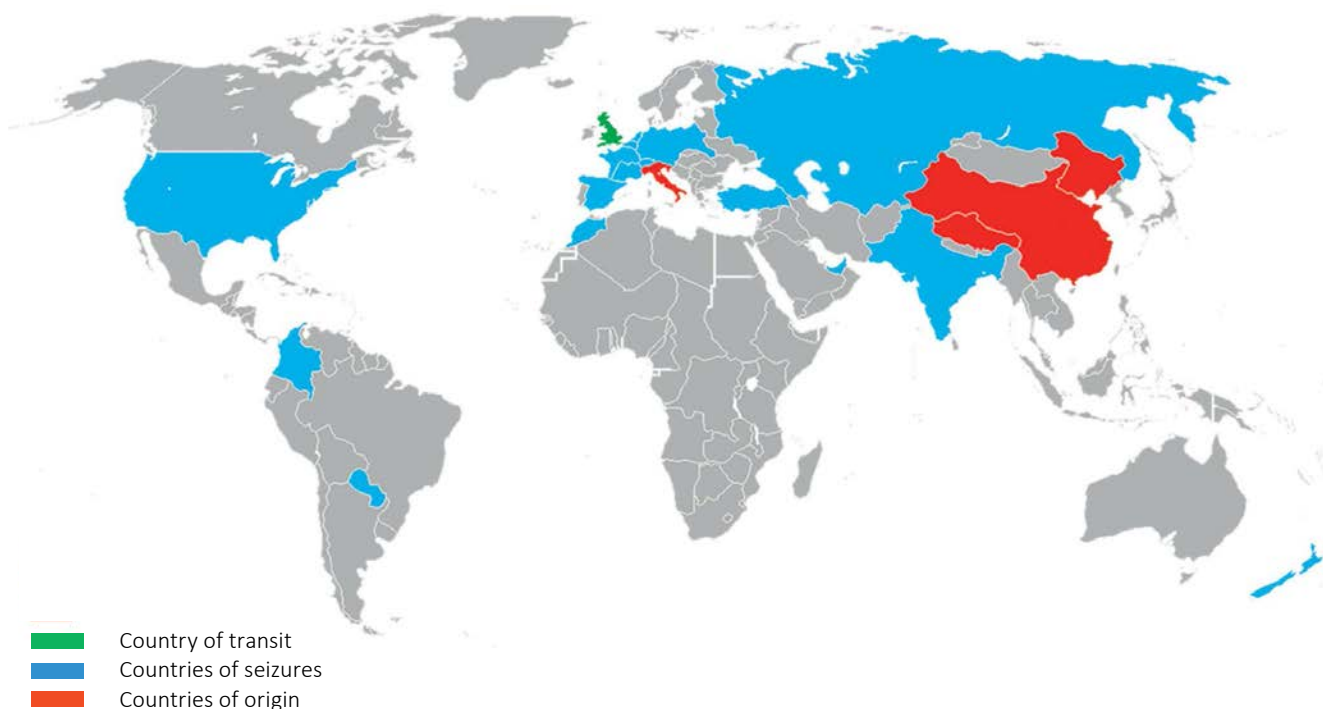
Technical analyses

During the year under review, FH watchmakers carried out technical analyses on 713 samples, i.e. 100 fewer timepieces than in 2014 (-12%). The results of these analyses were recorded in 543 reports of origin, 97 more than one year

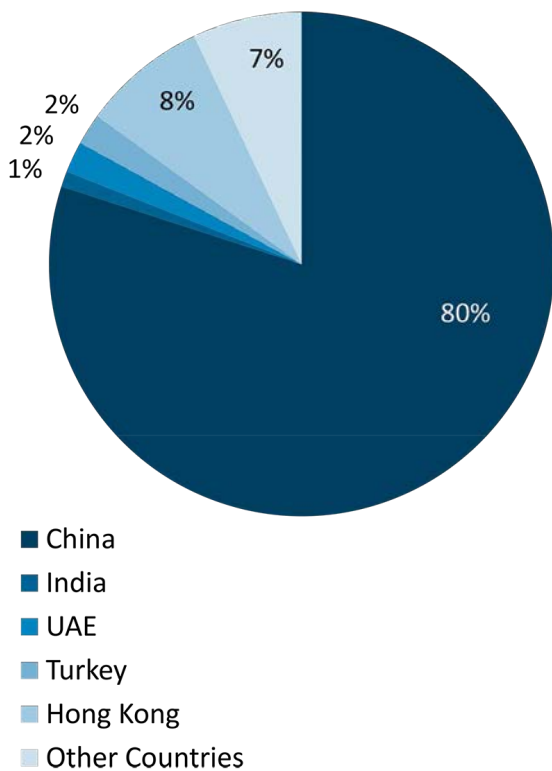
previously. The timepieces recorded infringed the rights of 52 different brands (58 in 2014). The samples examined in 2015 were seized or acquired in 21 countries (22 in 2014). Watches and reports were forwarded to rights holders, as well as to the organisations responsible for their seizure.

In parallel, the FH Anti-Counterfeiting Department dealt with 1,174 requests for attestation. This new activity is part of the generalisation of simplified procedures for customs controls. When goods are inspected, officials take a photo of watches whose authenticity they would like to have checked. The photos are then forwarded to FH watchmakers, who by return attest on an official document that the illustrated watches are (or are not) counterfeits. The procedure takes just 24 hours to complete and is carried out entirely electronically, without any exchange of papers or samples.

Generally, the volume of activity linked to technical investigations remained steady throughout the year under review. Two basic indicators, namely the number of brands affected (52) and the number of countries in which seizures are made (21) remained at a high level. In other words, the general economic slowdown observed in 2015 has had little effect on counterfeiters.



After prolonged statistical analysis, samples yield very valuable and sometimes surprising information. We learn for example that for every brand, large or small, counterfeiters focus mainly on two models, which thus account for between 50% and 80% of copies made of the brand in question. Another interesting finding is that counterfeit products examined in 2015 were for the most part equipped with a Chinese-made mechanical movement. On this particular point, there is no change from the trend observed in previous years. High quality articles, generally offered for sale online, took the form of Chinese clones of Swiss mechanical calibres. Those of medium quality tended to use quartz movements sourced from Japan, while poor quality copies, targeted at markets with low purchasing power (in particular countries of Latin America and Africa) used quartz calibres made in China.



Origin of counterfeit products (Source: TAXUD)



Hybrid counterfeit produced in Poland

In terms of their origin, samples analysed in 2015 came mostly from Asia, and mainly directly from China.

In parallel, there is still evidence of a small and fluctuating proportion of counterfeits classed as “hybrid”, manufactured in Europe (including in Switzerland). These timepieces mix original components (often the movement) with other, counterfeit parts. Such watches are targeted at the lucrative collectors’ market.

As usual, the great majority of samples are counterfeit versions of brands and/or models. The remainder consists of unlawful indications of origin, in other words all timepieces that are not counterfeit versions of brands or models but which use a Swiss geographical indication - “SWISS MADE”, “MADE IN SWITZERLAND”, or a derivative such as “GENEVA” – in a misleading way or contrary to regulations in force in Switzerland or the country of destination. Regarding this problem, the FH compiled 22 reports in the year under review (40 in 2014), and examined 26 samples (47 in 2014).

The analyses are nothing if not meticulous. They reveal in effect that counterfeit watches incorporate a proportion of Swiss value of between 0% and 30%, which even in the best case falls far short of legal requirements. Generally, the wording associated with timepieces is designed to mask their Asian fabrication and thus mislead consumers as to the actual origin of the product. Such practices are not only a violation

of trademark law, but also represent an acute form of unfair competition for all other manufacturers who respect the quality and standards associated with the label SWISS MADE. Studies have calculated that watches showing an indication which relates in some way to Switzerland can sell for up to 30% more than those that do not.

Added to copies of brands or models are false technical indications, mainly the label “CHRONOMETER” or the Geneva hallmark, as well as false precious metal hallmarks. In recent years, the label “CHRONOMETER”, enjoying a renown which is now well established, has become highly coveted. In 2015, the FH recorded 199 cases of misuse of this label or its derivatives both on watches and on commercial documents accompanying the timepiece, an increase of 58% compared to 2014.

After being processed in the database, data collected throughout the year allowed the compilation of 12 summary reports (14 in 2014), which complement individual reports of origin. Based on a body of at least 15 timepieces, these reports provide a statistical overview of counterfeiting by brand and by model, thereby providing more food for thought as to how the prevention strategy pursued by affected companies can be improved.

In parallel, these summary reports allow risk analysis forms used by Swiss and foreign customs authorities to be updated, as well as requests for intervention. For each brand, these forms illustrate models considered to be at risk (statistically the most frequently counterfeited) and their origin, with a view to helping customs put in place better targeted, and therefore more efficient controls.

For those who closely monitor the development of counterfeiting, the improved quality of counterfeit products is not a working hypothesis, but a proven fact. Today, on a regular basis, counterfeit watches have no difficulty attaining a level of quality well above that observed not long ago. The great



“Swiss” watch made in Asia intended for the American market

majority of watches examined by FH watchmakers in 2015 revealed a very correct level of assembly and finishing. The time has gone when fake watches let in water the moment they were exposed to rain, or stopped after receiving a knock.

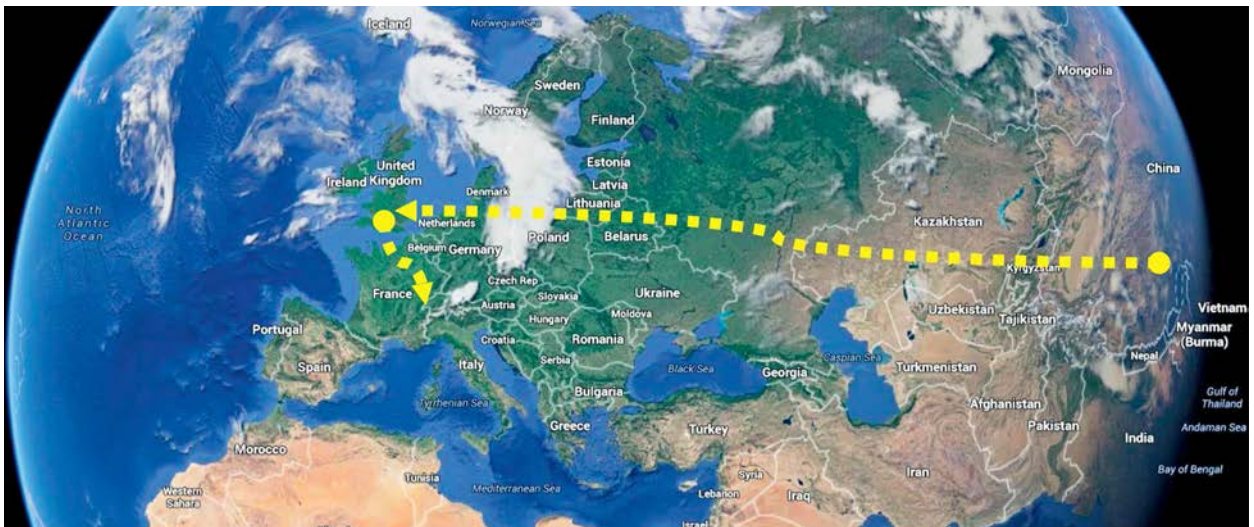


Misleading technical indications



So much at least for an empirical assessment. To document this improvement in quality more rigorously, an evaluation process has been established which seeks to be as objective as possible. It is based on nearly twenty observable criteria relating to the movement, exterior and finishing of all sampled watches. It goes without saying that this procedure involves the complete disassembly of the sample. Furthermore, this method is designed to be reproducible, in other words independent of the examiner. The level of quality is indicated by the number of points obtained after the examination. It is therefore open, like the Richter scale: it increases in line with perceived quality.

Following a pilot phase at the end of 2015, the process was implemented systematically. Naturally, the first trends will only become apparent after a significant lapse of time. In addition, we must bear in mind that counterfeiting obeys its own rules, which are often very different from those governing normal economic activities. Thus, we know already that high quality fake watches are not replacing their less sophisticated counterparts, but co-exist with them on a growing market.



A busy route for fake goods in 2015: China - England - Switzerland

Standardisation

The FH monitored and steered a number of national (NIHS) and international (CEN and ISO) projects.

In the field of national standardisation, the main project was the study of a new concept for the production of colour samples of gold alloys, in accordance with standard ISO 8654 which is currently being revised. Also, revision of the standard NIHS 55-04 – *Dimensions of screw slots* turned into a new complete project resulting from the merger of ten NIHS standards concerning watchmaking screws. The standard NIHS 96-50 – *Process to estimate the resistance to chemical and climatic agents of an horological external part*, revised in 2013, was not entirely satisfactory. It was therefore amended once again, particularly in respect of tests involving saline spray, sulphured agents and sunlight. In addition, work on the standards NIHS 14-02 – *Winding stems – Sliding pinions – Dimensions and tolerances* (merged with standard NIHS 26-02) and NIHS 24-10 – *Hand-fittings - Adjustments - Dimensions and tolerances* (merged with standards NIHS 24-15 and NIHS 24-21) was finalised.

In 2015, twenty NIHS standards were examined by various watch industry experts and all were confirmed for ten years.

The NIHS department is entrusted by SNV (Schweizerische Normen-Vereinigung) with the secretariat of the interdisciplinary committee INB/NK 164 - Jewellery, the mirror institution of corresponding European or international committees (CEN and ISO respectively). It is therefore responsible, in collaboration with the experts concerned, for coordinating votes initiated by these committees and forwarding to SNV a position which is representative of Swiss industry as a whole. During the year, more than fifteen votes were coordinated in this way.

At a European level, the year 2015 was marked by revision of the standard EN 1811 concerning the release of nickel. The latter revealed a number of shortcomings, particularly as regards the interpretation of results, notably an area of “non-decision” which prevented laboratories from taking a clear position regarding the approval of tested products. The amended standard EN 1811+A1:2015, which entered into force in September 2015, offers greater clarity. In concrete terms, it specifies that only the value for the release of nickel of 0.88 µg/cm²/week for articles in direct and prolonged contact with the skin (respectively 0.35 µg/cm²/week for articles inserted into pierced parts of the human body) remains present in the standard, serving as the threshold above which articles must be rejected.



Silvano Freti, president of the Standardisation Committee from 1st January 2016

With regard to international standardisation, the year 2015 was important mainly for the International Conference ISO/TC 114 – Horology, which was held in mid-May in Lucerne (see Highlights section). Generally, ISO projects made satisfactory progress, more specifically as regards the revision of standards ISO 1413 – *Shock-resistant watches* and ISO 3160-2 – *Watch-cases and accessories – Gold alloy coverings – Part 2: Determination of fineness, thickness, corrosion resistance and adhesion* which was finalised. In addition, as a result of the undertaking made by the Swiss delegation at the conference, the great majority of other deputations agreed to start work on revising the standard ISO 764 – *Antimagnetic watches*.

On a final note, mention should be made of the resignation of Jean-Pierre Curchod, effective at the end of 2015. He will be replaced on 1st January 2016 by Silvano Freti as chairman of the Standardisation Committee and of the Technical Committee ISO/TC 114 - Horology.



Legal, economic and commercial services

Alongside actions against counterfeiting and work linked to standardization, the FH was kept very busy providing assistance to its members, particularly at a legal and economic level. Many questions were raised in relation to Swissness, intellectual property, CITES certificates, free trade agreements, export statistics and regulations governing dangerous substances.

A number of services are available on the FH Extranet site reserved for members, who have access in this way to privileged information and practical working tools. The part dedicated to topical issues was adapted with a view to presenting the news in a more user-friendly fashion.

Legal services

Revision of the Swiss made label for watches and relevant legislation is of paramount importance to the Swiss watch industry. The FH prepared a guide concerning use of the name "Swiss" for watches in order to inform watchmaking companies about the new conditions of use of the prestigious "Swiss made" label. This important document was distributed at the traditional FH legal seminar which took place at the end of 2015 at the Conference Centre in Bienne. More than 200 people attended and were able to receive information straight from the horse's mouth. Entry into force of the new legislation on 1st January 2017 introduces a rate of Swiss value of 60% for products, calculated on the cost price of the latter. For some firms, adaptation to these new regulations requires meticulous preparation.

Another ongoing topical issue is dangerous substances. With regard to the European regulation REACH, several substances were added to the Candidate List in 2015. These are materials which, on account of properties that are carcinogenic, mutagenic or toxic for reproduction, are considered to be of very high concern. At the end of December 2015, 163 substances featured on this list, which is the first step in the REACH authorization system. After their inclusion in Annex XIV, they will no longer be able to be placed on the European market without a permit linked to their specific use. At the present time, 31 such substances have already attained this status. The inclusion of a substance in the Candidate List

can have direct repercussions for manufacturers of watches, movements and other components if the substance is present in a minimal concentration.

The FH took action in Brazil, as part of a legislative project seeking to limit the amount of cadmium and lead in jewellery. It requested exemption for inaccessible internal components of wristwatches which present no risk, and this request was accepted by the Brazilian authorities. Movement components non-accessible to consumers are consequently exempted from the legal thresholds, as is now the case in Europe under the REACH regulation.

The FH Legal Department kept a close eye on revision of the Swiss legislation on money laundering. This began in February 2012 with the publication of a revised version of international anti-money laundering standards by the financial action group (GAFI). Federal Chambers finally passed the law on the implementation of GAFI standards at the end of 2014. Revision of the Law on Money Laundering (LBA) sought in particular to improve transparency in relation to legal entities and bearer shares, and also to enlarge the field of application to cash payments during selling transactions. On this point, the plan was to limit such payments to 100,000 francs, which ceiling the FH had opposed during the consultation procedure. Its intervention bore fruit, since it was decided to abandon the cash payment ceiling and replace it with obligations of diligence for cash payments in excess of 100,000 francs. These obligations, specified in enforcement ordinances, relate in particular to identification of the contracting partner on the basis of a supporting document. In the event of uncertainty, the trader must also verify the context of the transaction and inform the authorities if suspicions are confirmed.

Economic services

In the field of statistics, FH members were able on the Extranet to consult quarterly analyses of the sector's performance in the magazine Tendances. The complete database of watch export statistics can also be consulted in this publication, together with information concerning the exports of other key players on the world stage.

Relations with the authorities and economic circles

Watchmaking parliamentary group

At Baselworld, the FH invited members of the watchmaking parliamentary group to visit a number of stands and exchange views with the directors of watchmaking firms. It was an opportunity to take stock of the economic situation and to air current concerns, in particular the problem of the strong franc and progress on the Swissness front. This group, led by State Councillors Didier Berberat (canton of Neuchâtel) and Hans Stöckli (canton of Berne), brings together parliamentarians sympathetic to the interests of the Swiss watch industry.

The President of the FH attended a meeting of the “trade and the economy” parliamentary group, organised by *economiesuisse* during the summer session of the Federal Chambers. Problems regarding Swissness and development of the sector were also examined at this meeting.

Watchmaking associations

For the 17th consecutive year, watchmaking associations gathered at Baselworld at the invitation of the FH for informal talks involving delegations from the following countries: Germany, China, France, Hong Kong, Italy, Japan and Russia.

Discussions focused initially on the development of exports and business activity in 2014. Generally, different industries were satisfied with the state of affairs which, overall, gave rise

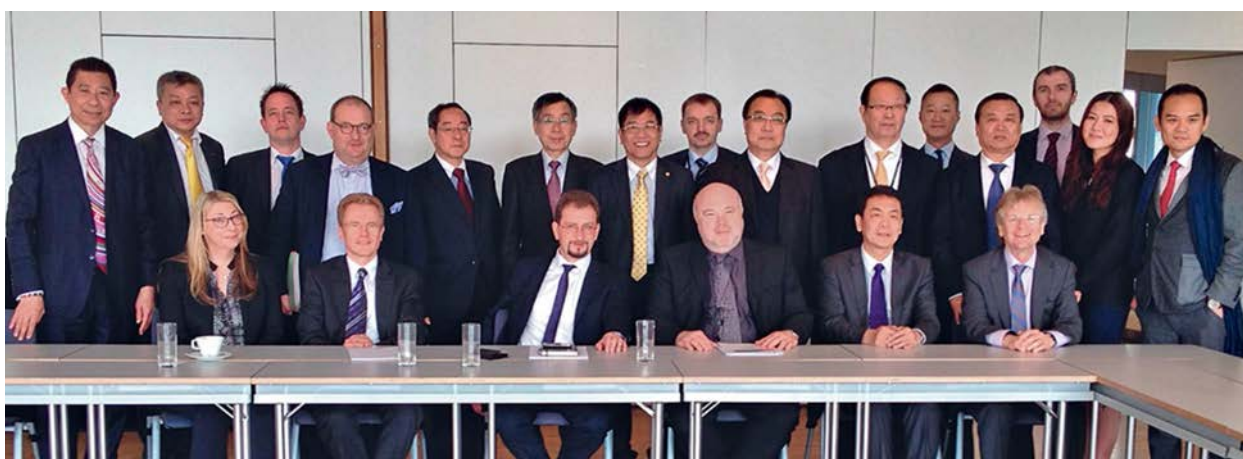
to positive results. However, some delegations made known their concerns looking ahead to the year 2015. The Hong Kong delegation noted the downturn in watch sales on its territory and problems engendered by the fall of the renminbi and yen against the dollar.

For its part, the FH presented an overview of the situation regarding Swiss made with an update concerning revision of the ordinance on use of the name “Swiss” for watches. It pointed out that the entire Swissness-Swiss made package was expected to enter into force on 1st January 2017 at the earliest.

The different delegations discussed changes to technical legislation, the scope of which is widening constantly at an international level. The example was cited of the REACH regulation, which has been taken up in full or in part by other countries such as the United States and China. Information was also exchanged concerning the ongoing revision of the standard on nickel, EN 1811.

Lastly, the subject of free trade was raised. Delegates noted that the signing of such agreements was a way of unfreezing negotiations within the WTO. They also took stock of negotiations between the United States and the European Union on an agreement of this type (TTIP).

Even if this meeting does not lead to any formal decisions, it nonetheless encourages a useful dialogue on issues concerning the watch industry at a world level, allowing a rapprochement of points of view in the interest of the sector generally.



Meeting of the watchmaking associations at Baselworld



economiesuisse

The FH is an active member of economiesuisse and is represented in the following bodies: general meeting (Jean-Daniel Pasche, FH); board (Hanspeter Rentsch, Swatch Group, Theda Koenig Horowicz, Rolex, and Cédric Bossert, Richemont); management committee (Hanspeter Rentsch, Swatch Group); board of associative directors (Jean-Daniel Pasche, FH), WTO working group, working group on origin and customs issues, group of experts on intellectual property, working group on economic questions, group of experts on relations with the European Union, competition commission.

Standing Committee on European Watchmaking

The Standing Committee on European Watchmaking (CPHE) met on two occasions during the year under review, in Montreux and Milan respectively. Discussions chaired by Jean-Daniel Pasche were devoted almost exclusively to developments regarding the legislative projects Swissness and Swiss made, not surprisingly due to their topical importance. Delegates were able to examine in detail procedures prefiguring the establishment of different sectoral ordinances and the timetable for their application. Several provisions of the Swiss made draft ordinance were examined in detail and discussed in depth: definition of the watch, concept of prototyping, design, methods for calculating costs and transition periods, among others.

Turning to other regulatory subjects, delegates noted firstly, with some regret, the mushrooming of European legislative projects affecting directly or indirectly the production or marketing of watchmaking products in Europe (consumer law, decree on recyclable products, energy transition, lowering of ceilings for cash payments, etc.). On this point, the CPHE

approached the German industrial health and safety authority (BAuA) to secure the exclusion of beryllium from the Candidate List of REACH substances, so that watch manufacturers could continue to have recourse to this metal and its alloys in the fabrication of certain components.

In accordance with the articles of association, Jean-Daniel Pasche stepped down as chair of the CPHE after three years in office. With the Community delegation being next in line for the chair under the system of alternating appointments, it was the turn of Mario Peserico, president of Assorologi, to take up these duties from 1st January 2016, with the secretariat being assured by Patrice Besnard, general delegate to the French Chamber of Watchmaking and Microtechnologies (CFHM).



Jean-Daniel Pasche and Mario Peserico

FH centres abroad

FH Centre in Hong Kong

As usual, the FH Centre in Hong Kong was kept busy with a range of activities on behalf of the branch and members of the association. It provided concrete support to fifty or more delegates, mandated by FH members, travelling in the region, and to their Asian representatives. This regular assistance covers fields as varied as arranging contacts with commercial or industrial partners in Hong Kong and China, searching for qualified personnel, supporting the establishment of companies and accompanying staff on visits to the markets of south-east Asia. Around fifteen trips were organised in this context during the year under review (China, Vietnam, South Korea, amongst others). Promotional events organised in this part of the world were also followed closely.

In parallel, the FH centre multiplied its contacts with the media, local professional organisations and diplomatic authorities and representations across the region, particularly in Hong Kong, Beijing, Guangzhou and Bangkok.

Lastly, the Hong Kong centre followed up numerous requests from FH members in respect of legal matters or anti-counterfeiting measures throughout the region. In particular, it provided support and expertise to many brands seeking to register with Chinese and Korean customs authorities. Similarly, it conducted several tens of investigations into local companies and each month raised one or more objections to the registration of trademarks in class 14 (horology), both in Hong Kong and elsewhere in the region.

FH Centre in Tokyo

In parallel with its activities on behalf of FH members and their local agents, its relations with the media, local professional organisations and diplomatic representations, and various requests from Japanese private individuals and companies, the FH centre in Tokyo laid special emphasis on promoting the branch in the light of the 150th anniversary of diplomatic relations between Switzerland and Japan celebrated last year. Following on from activities undertaken during the jubilee year (presentation of the exhibition Think Time Think Swiss Excellence at the Tobu Watch Fair in August 2014), the FH centre organised and managed a travelling promotional exhibition in a number of cities in the country throughout the second half of the year. Associated with different watch industry events organised by distributors and leading retailers (Mitsukoshi,



Promotional exhibition presented in Japan by the FH

Kokura Izutsuya, Daimaru Shinsaibashi, amongst others), this exhibition was presented in Fukuoka, Kumamoto, Nagoya, Osaka, and Sapporo.

In its daily activities, the FH centre also had to deal with a growing number of requests for watch repairs, with some brands no longer providing maintenance for old models. This is one of the reasons why it continues to manage the Taga Watch Center after-sales service pool.



Promotional exhibition presented in Japan by the FH



The Swiss watch

industry in 2015

The statistics processed, distributed and analysed by the FH are a key indicator for the sector. Prepared by the Federal Customs Administration on the basis of declarations made by firms, they constitute the main official, regular and reliable source for monitoring the development of watch exports. Through a wealth of detailed information concerning markets, products and price segments, the FH can pinpoint recent or historic trends in the Swiss watch industry.



Watch industry statistics

General situation

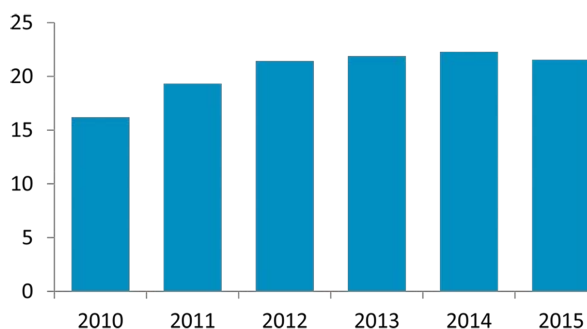
The Swiss watch industry had to surmount numerous challenges in the face of a complex and unfavourable environment in 2015. In particular lifting of the ceiling pegging the Swiss franc to the euro created turbulence, the effects of which continued to be felt throughout the year. Exports held up well in the first half-year, however the situation deteriorated significantly from the summer onwards. The end of the period under review was clearly negative and reflected difficulties encountered by the branch on a number of markets. Developments in Hong Kong in particular cast a long shadow over the general trading picture.

Overvaluation of the franc, the sudden readjustment suffered by Hong Kong, the economic slowdown and political decisions in China, tensions in the Middle East, the weakness of the rouble and terrorism, meant that the stability forecast a year ago failed to materialise.

Swiss watch exports

The value of watch exports fell to 21.5 billion francs, a decline of 3.3% compared to 2014. This is the first drop since 2009. The annual result is therefore virtually back to its level of 2012, after two consecutive years of consolidation. Developments on the Hong Kong market in particular cast a long shadow over the general trading picture.

The situation regarding watch exports worsened steadily as the year 2015 progressed, falling from +3.2% in the first quarter to -7.3% in the fourth quarter. The second half-

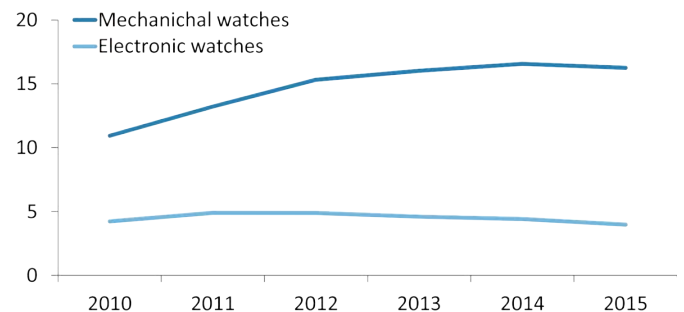


Swiss watch exports (in billion francs)

year brought into focus most of the factors affecting the branch and yielded a result well below the level of 2014 (-6.8%), while the first half of the year remained slightly positive (+0.5%).

Exports of wristwatches

Watches generated an annual value of 20.2 billion francs, accounting for nearly 95% of total exports. They registered a decline of 3.6% compared to 2014. In volume terms, the downturn was more moderate, with a result of -1.6%. With 28.1 million timepieces exported, volumes thus fell back to their 2013 level. In total, 460,000 fewer watches left Switzerland in 2015.



Exports of wristwatches (in billion francs)

Mechanical watches generated 80% of export sales. Their value contracted by 2.0%. Quartz timepieces recorded a more mixed result, with a decline of 9.9%.

In view of these developments, the average price of exported watches fell from 734 francs (export price) in 2014 to 719 francs in 2015.

Exports by materials

Over the year 2015 as a whole, steel watches registered declines of 5.7% by volume and 4.9% by value, and had the greatest impact on the downturn in Swiss exports last year. Steel, the principal material used by the Swiss watch industry, accounted for 53% of exported timepieces, representing a value of 38%.

The top three performers in volume terms included two categories on an upward trend, namely other materials and other metals, which registered growth of 1.2% and 7.9% respectively. Timepieces with other precious-metal exterior parts recorded the highest increase in volume terms (+11.1%), i.e. 165,000 more units than in 2014.

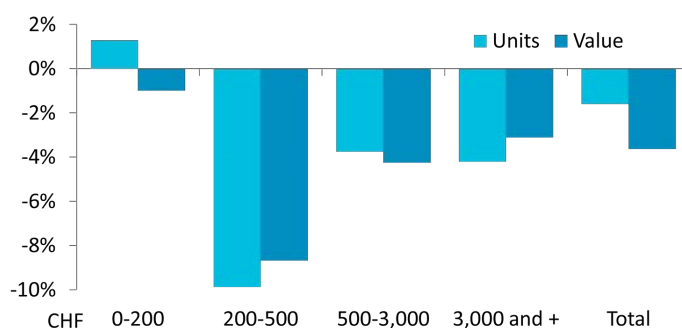
The three main materials by value contracted by 4.5%. The category of gold watches slipped by 4.8%, recording a total value in 2015 of 6.9 billion francs.

Exports by price segments

Negative results in the second half-year across all price ranges had a deleterious effect on annual results. Only a single category, that of watches costing less than 200 francs (export price), stood out with a positive result in terms of the number of timepieces (+1.3%), even though the variation in value terms was -1.0%.

Above 3,000 francs, exports fell by 430.1 million francs (-3.1%), recording a total of 13.4 billion.

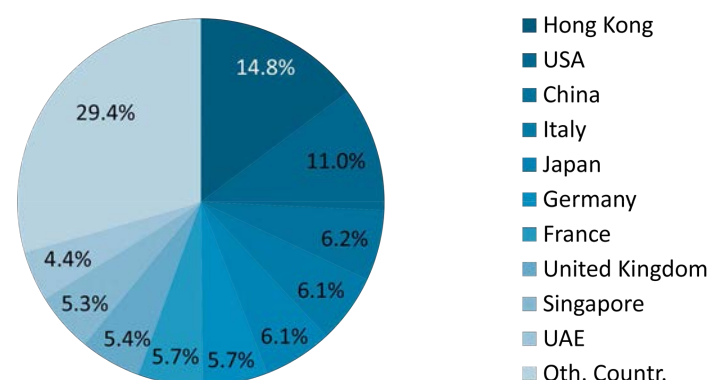
Deficits were concentrated mainly in the category of products between 200 and 500 francs, which registered a decline of -8.7%. Other segments cancelled each other out to finish with a negative general differential of nearly 460,000 units (-1.6%).



Exports by price segment (variation compared with 2014)

Export markets

In 2015, Asia constituted the leading market for Swiss watchmakers and absorbed exactly half of exports by value. It recorded a sharp decline (-9.1%). Europe, which accounted for a third of sales, registered a healthy upturn of 6.1% compared to 2014. Growth on the American continent slowed from September, ending the year on a negative note (-1.9%).



Main export markets in 2015

Hong Kong was the decisive factor in the decline of Swiss watch exports. Its status as the leading market and the sharp downturn registered in 2015 were enough to tip the balance unfavourably across all other markets. While at a world level our exports declined by 735 million francs, 946 million were lost on the Hong Kong market alone (-22.9%, for a total of 3.2 billion francs). The former British colony thus reverted to its 2010 level. All price segments were affected by this sharp downturn, which grew worse as the months went by. The local market underwent a major readjustment, linked in particular to exchange rates and consumer habits.

By comparison, the downturn in China was less marked, albeit significant. Here, the value of Swiss watch exports contracted by 4.7%. The situation recovered at the end of the year following a low point during the summer. However, the rebound failed to generate a return to growth on a market in decline for the third consecutive year. Watches costing less than 200 francs gained a few points in relation to 2014, but the 200-500 francs segment fell steeply.

The year 2015 got off to a poor start for Japan due to a very unfavourable base effect. Thereafter the situation improved. For the year as a whole, the Japanese market recorded a decline of -1.9%, with watches costing more than 3,000 francs largely responsible for dragging the figures down.

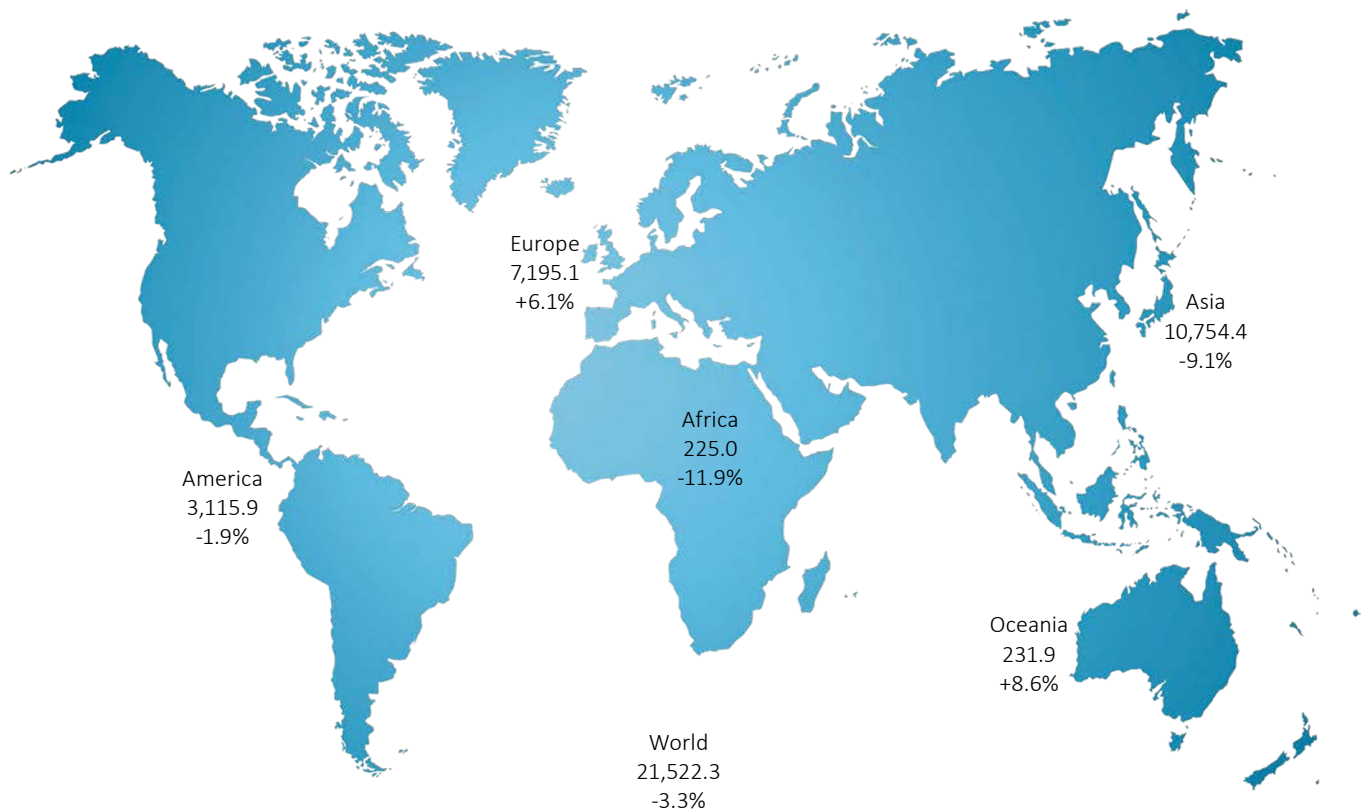
The profile of the Singapore market has changed little in recent years. In 2015, watch exports varied only slightly (+1.0%). Timepieces costing more than 3,000 francs recorded a slight upturn, while all other segments clearly lost ground.

In the Middle East, not all of the main markets showed the same profile. The United Arab Emirates registered a decline in value terms of 6.7%, whereas for Saudi Arabia the corresponding result was an increase of 11.2%.

The MERS epidemic left its mark on South Korea (+0.2%), which just managed to end the year on an even keel thanks to watches costing more than 3,000 francs.

The main European markets all recorded upturns compared to 2014. Italy (+6.4%) maintained its very positive momentum and Germany (+0.7%) returned to the black despite a significant downturn at the end of the period.

France (+9.4%) had a particularly dynamic summer before losing ground in November and December, linked to the repercussions of terrorism which were almost certainly also felt in Germany and parts of Italy. Overall, growth was buoyed by watches costing more than 3,000 francs, which also outperformed other segments during the last months of the year.



Total value (in million CHF)

The United Kingdom stood out from other European markets by recording an increase of 19.1%, a performance which improved steadily as the months went by. This result is attributable exclusively to timepieces costing more than 3,000 francs.

After making steady gains until August, the United States suffered a sharp decline as of September to end the year with virtually no change (-0.8%). The variation of watch exports was negative between 200 and 3,000 francs, and was only slightly positive for other price ranges.

Other exported products

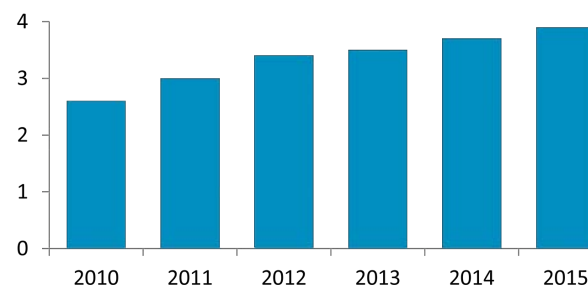
In 2015, Switzerland exported watchmaking products to the value of 21.5 billion francs. While the great majority, i.e. 20.2 billion francs, was attributable to exports of wristwatches, 1.3 billion francs came from the supply of other products.

Among these other products, the number of exported watch movements was down 8.0%. With allowance for some statistical corrections, the value of pocket watches showed a positive trend of more than 45%. The number of alarm clocks, wall clocks and table clocks crossing the Swiss borders in 2015 remained stable.

It should be noted that cases and bracelets appearing in this category ought to be classified elsewhere, since they relate essentially to improvements and are not as such final exports.

Watch industry imports

Last year, Swiss imports of watchmaking products totalled 3.9 billion francs, an increase of 2.7% compared to 2014. For the most part, two types of product came into Switzerland, namely wristwatches and spare parts. Imports of foreign timepieces were less numerous in 2015 but included higher value products. Indeed, while the number of units fell by 6.4%, their value rose by 11.8%. Spare parts used for production saw their value decline by 4.2%.



Swiss watch imports (in billion francs)





Structure of

the FH in 2015

An organisation representative of the Swiss watch industry as a whole, the FH has the following main tasks and objectives: helping to defend and develop the sector, establishing a permanent link between its members in order to promote their shared interests, representing the Swiss watch industry in its dealings with Swiss and international economic authorities and organisations, asserting the interests of its members during consultation procedures preparing the ground for national and foreign legislations, defending its members' interests in the legal arena, and fighting actively against infringements of intellectual property rights and acts of unfair competition.

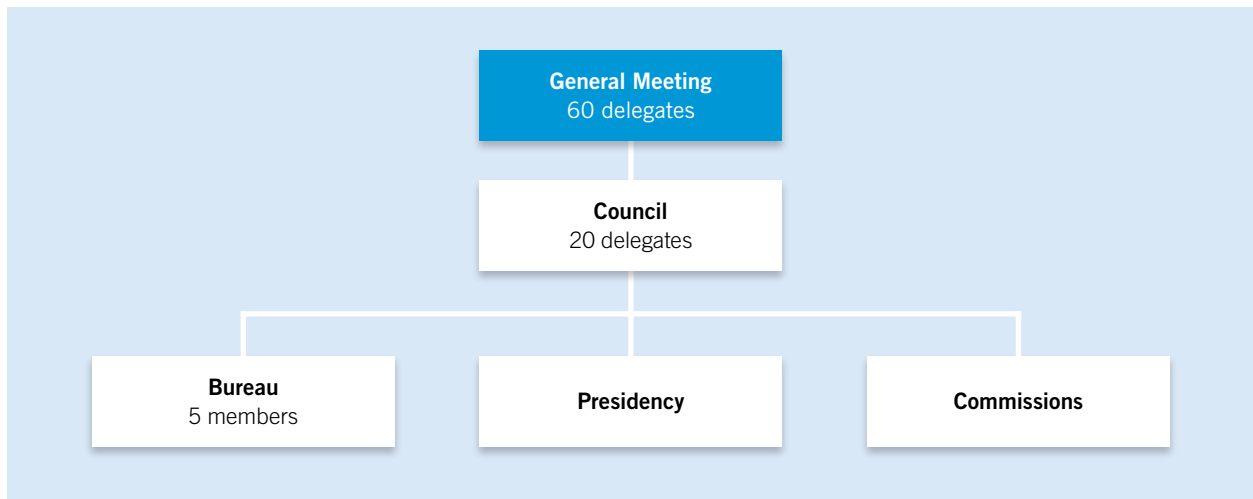




The FH in 2015

On 31st December 2015, the FH included 480 companies, associations and institutions (approximately 90% of the Swiss watch industry manufacturers), including 236 firms in the finished products sector.

In terms of products, markets and business size, the Swiss watch industry is characterised by its very great diversity. The FH is therefore structured with a view to harmonising the different interests of its members through the balanced composition of its statutory organs.



The General Meeting

Governing body of the association, the FH General Meeting comprises a maximum of 60 delegates totalling 60 votes. Lasting three years, terms of office are renewable.

The General Meeting takes decisions on issues submitted to it by the Board concerning the interests of the Swiss watch industry and the association's general policy; it elects mem-

bers to the Board, as well as the president of the association, and appoints the auditor; it discusses and approves the annual report and the accounts, as well as the scale of subscriptions.

On 31st December 2015, the FH General Meeting was composed of the following delegates (some with more than one vote):

Jean-Claude Affolter

Pignons Affolter SA

Marco Avenati

Manufacture des Montres Rolex SA
(FH Vice President)

Alexander Bennouna

Victorinox Swiss Army SA

Olivier Bernheim

Raymond Weil SA

Denis Bolzli

Aéro Watch SA

Cédric Bossert

Richemont International SA

Pascal Bratschi

Manufacture des Montres Rolex SA

Pierre-André Bühler

ETA SA Manufacture horlogère suisse

Emile Charrotton

SAH

Dino D'Aprile

Rubbattel & Weyermann SA

Pascal Dubois

Dubois Dépraz SA

François Durafourg

Pierhor SA

Christian Feuvrier

Nivarox-FAR SA

Christian Francesconi

ArteCad SA

Jean-Paul Girardin

Breitling SA

Kurt Grünig

Roventa-Henex SA

David Guenin

Gimmel Rouages SA

Jean L. Guillod

Guillod-Günther SA

Philippe Gurtler

Rolex SA

Jean Hirt

Estoppey-Addor SA

Aldo Magada

Zenith, Branch of
LVMH Swiss Manufactures SA

Alain Marietta

Métalem SA

Jacques Mata

Luxury Timepieces International SA

Franck Mathieu

Bulgari Horlogerie SA

Pierre-André Meylan

Piguet Frères SA

Jean-Jacques Némitz

Universo SA

Corine Neuenschwander

Neuenschwander SA

Marianne Pandiscia

Multitime Quartz SA

Hannes Pantli

IWC Schaffhausen,
Branch of Richemont International SA

Jean-Daniel Pasche

FH President

Flavio Pellegrini

MGI Luxury Group SA

Hanspeter Rentsch

The Swatch Group SA
(FH Vice President)

Daniel Rochat

Patek Philippe SA Genève

Philippe Rossier

Simon et Membrez SA

Guy Sémon

TAG Heuer, Branch of
LVMH Swiss Manufactures SA

Manuela Surdez

Goldec SA

François Thiébaud

Tissot SA

Claude Vuillemez

Richemont International SA

Roger Wermeille

Le Castel Pendulerie Neuchâteloise

Vladimiro Zennaro

Bergeon SA



The Board

Comprising twenty members elected for three years by the General Meeting, the FH Board, which meets four times a year, has the following main attributions: it defines the association's policy and monitors its application; it rules on the admission of members; it gives its opinion on issues to be submitted to the General Meeting and executes the latter's decisions; it elects the Bureau and appoints the vice-president(s); it appoints heads

of division and commission members; generally it assures a permanent link between members of the association, the authorities and third parties; it approves agreements concluded between the association and its members or third parties; etc.

On 31st December 2015, the Board was composed of the following members:

Raynald Aeschlimann

Omega SA

Marco Avenati

Manufacture des Montres Rolex SA

Alexander Bennouna

Victorinox Swiss Army SA

Denis Bolzli

Aéro Watch SA

Cédric Bossert

Richemont International SA

Pierre-André Bühler

ETA SA Manufacture horlogère suisse

Christian Feuvrier

Nivarox-FAR SA

Jean-Paul Girardin

Breitling SA

Kurt Grünig

Roventa-Henex SA

Philippe Gurtler

Rolex SA

Jean Hirt

Estoppey-Addor SA

Alain Marietta

Métalem SA

Hannes Pantli

IWC Schaffhausen, Branch of Richemont International SA

Pascal Queloz

Oréade Manufacture de boîtes SA

Hanspeter Rentsch

The Swatch Group SA

Daniel Rochat

Patek Philippe SA Genève

Philippe Rossier

Simon et Membrez SA

Guy Sémon

TAG Heuer, Branch of LVMH Swiss Manufactures SA

Peter Steiger

The Swatch Group SA

Claude Vuillemez

Richemont International SA

The Bureau and the Commissions

Comprising the president, the two vice-presidents and two members, the Bureau examines issues delegated to it by the Board and, exceptionally, questions of an urgent nature.

At the end of 2015, its composition was as follows:

Jean-Daniel Pasche

FH

Marco Avenati

Manufacture des Montres Rolex SA

Hanspeter Rentsch

The Swatch Group SA

Alain Marietta

Métalem SA

Jean-Paul Girardin

Breitling SA

The president of the Financial Commission is regularly invited to attend the Bureau's meetings.

The FH also has six permanent Commissions responsible for examining issues of general interest dealt with by the association.

The Commissions and their presidents:

Economic Commission

Thierry Kenel

Financial Commission

Pierre Huguenin

Legislative monitoring Commission

Olivier Blanc

Legal Affairs Commission

Jean-Daniel Pasche

Standardisation Committee

Jean-Pierre Curchod

Anticounterfeiting Group

Jean-Daniel Pasche



The Departments and the Services

On 31st December 2015, the FH employed 32 people full-time in Bienne (31 in 2014). Its organisation chart is as follows:



The network of partners

The FH would be nothing in the globalised world in which we live without a solid network of partners, which can be found both within and outside the sector on all five continents. Non-exhaustive, the list below provides a summary of this network.

Watchmaking Partners

- ♦ All India Federation of Horological Industries
- ♦ American Watch Association (AWA)
- ♦ Association des fabricants de décolletages et de taillages (AFDT)
- ♦ Association des fabricants suisses d'aiguilles de montres
- ♦ Association patronale de l'horlogerie et de la microtechnique (APHM)
- ♦ Association patronale des industries de l'Arc-horloger apiah
- ♦ Association pour l'assurance qualité des fabricants de bracelets cuir (AQC)
- ♦ Association suisse pour la recherche horlogère (ASRH)
- ♦ Assorologi (Italy)
- ♦ BV Schmuck + Uhren (Germany)
- ♦ Centre suisse d'électronique et de microtechnique (CSEM)
- ♦ Centredoc Centre suisse de recherche, d'analyse et de synthèse d'information
- ♦ Chambre française de l'horlogerie et des microtechniques (CFHM)
- ♦ China Horologe Association
- ♦ Comité des exposants suisses à Baselworld
- ♦ Comité permanent de l'horlogerie européenne (CPHE)
- ♦ Contrôle officiel suisse des chronomètres (COSC)
- ♦ Fédération de l'horlogerie (France)
- ♦ Fédération romande des consommateurs (FRC)
- ♦ Fondation de la Haute Horlogerie
- ♦ Fondation Qualité Fleurier
- ♦ Fondation WOSTEP
- ♦ Groupement des fabricants d'aiguilles de montres
- ♦ Hong Kong Watch Importers' Association
- ♦ Hong Kong Watch Manufacturers Association
- ♦ Infosuisse Information horlogère et industrielle
- ♦ Japan Clock and Watch Association
- ♦ Japan Watch Importers' Association
- ♦ Joyex - Asociación Española de Fabricantes y/o Exportadores de Joyería, Platería y Relojería
- ♦ Korea Watch and Clock Industry Cooperative
- ♦ Société suisse de chronométrie (SSC)
- ♦ The Federation of Hong Kong Watch Trades & Industries Ltd
- ♦ Union des Fabricants d'Horlogerie de Genève, Vaud et Valais (UFGVV)
- ♦ Verband deutschschweizerischer Uhrenfabrikanten (VdU)

Federal Administration

- ♦ Bureau central du contrôle des métaux précieux
- ♦ Commission des experts douaniers
- ♦ Direction générale des douanes (DGD)
- ♦ Swiss Federal Institute of Intellectual Property (IPI)
- ♦ Office fédéral de la santé publique (OFSP)
- ♦ Office fédéral de la sécurité alimentaire et des affaires vétérinaires (OSAV)
- ♦ Présence suisse
- ♦ State Secretariat for Economic Affairs SECO



Chambers of commerce

- ♦ Alliance des chambres de commerce suisses
- ♦ Arab-Swiss Chamber of Commerce and Industry (CASCI)
- ♦ International Chamber of Commerce international (ICC)
- ♦ Swiss-Chinese Chamber of Commerce
- ♦ Swiss-Indian Chamber of Commerce
- ♦ Joint Chambers of Commerce (Russia, Ukraine, Kazakhstan, Belarus, Kyrgystan, Moldova)
- ♦ Swiss-Asian Chamber of Commerce
- ♦ Swiss Business Council Abu Dhabi
- ♦ Swiss Business Council Dubai
- ♦ Swiss Chamber of Commerce in Japan

Economic organisations

- ♦ BUSINESSEUROPE
- ♦ economiesuisse
- ♦ Switzerland Global Enterprise

Technical organisations

- ♦ Centre technique de l'industrie horlogère française (CETEHOR)
- ♦ Ecole d'ingénieurs ARC
- ♦ International Electrical Committee (IEC)
- ♦ Tokyo Watch Technicum

Customs and police organisations

- ♦ Agenzia delle Dogane, Roma
- ♦ Commandement général de la Guardia Civil (Espagne)
- ♦ Commandement général de la Guardia di Finanza (Italie)
- ♦ Direction générale des douanes et Droits indirects de la République française
- ♦ Europol
- ♦ Federal Bureau of Investigation (FBI)
- ♦ Interpol
- ♦ Organisation mondiale des douanes
- ♦ Police cantonale de Neuchâtel
- ♦ Police cantonale du Jura
- ♦ U.S. Customs and Border Protection

Organisations involved in standardisation

- ♦ Association française de normalisation (AFNOR)
- ♦ Association suisse de normalisation (SNV)
- ♦ British Standards Institution (BSI)
- ♦ Bureau of Indian Standards (BIS)
- ♦ Comité européen de normalisation (CEN)
- ♦ Deutsches Institut für Normung (DIN)
- ♦ Federal Agency on Technical Regulating and Metrology (GOST R)
- ♦ International Organization for Standardization (ISO)
- ♦ Japanese Industrial Standards Committee (JISC)
- ♦ Korean Agency for Technology and Standards (KATS)
- ♦ Standardization Administration of China (SAC)

Anticounterfeiting organisations

- ♦ Anti-Counterfeiting Group (ACG)
- ♦ Brandowners Protection Group (Gulf Cooperation Council)
- ♦ Institut de police scientifique, Lausanne
- ♦ Istituto di Centromarca per la lotta alla contraffazione (Indicam)
- ♦ The Anti-Counterfeiting Network (REACT)
- ♦ Union des fabricants

Legal organisations

- ♦ Association internationale pour la protection de la propriété intellectuelle (AIPPI)
- ♦ Association suisse du droit de la concurrence
- ♦ Association suisse du droit européen
- ♦ Commission européenne, DG Environnement
- ♦ International Trademark Association (INTA)
- ♦ Ligue internationale du droit de la concurrence
- ♦ Organisation for an International Geographical Indications Network (Origin)





Fédération de l'industrie horlogère suisse FH
Verband der Schweizerischen Uhrenindustrie FH
Federation of the Swiss Watch Industry FH

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