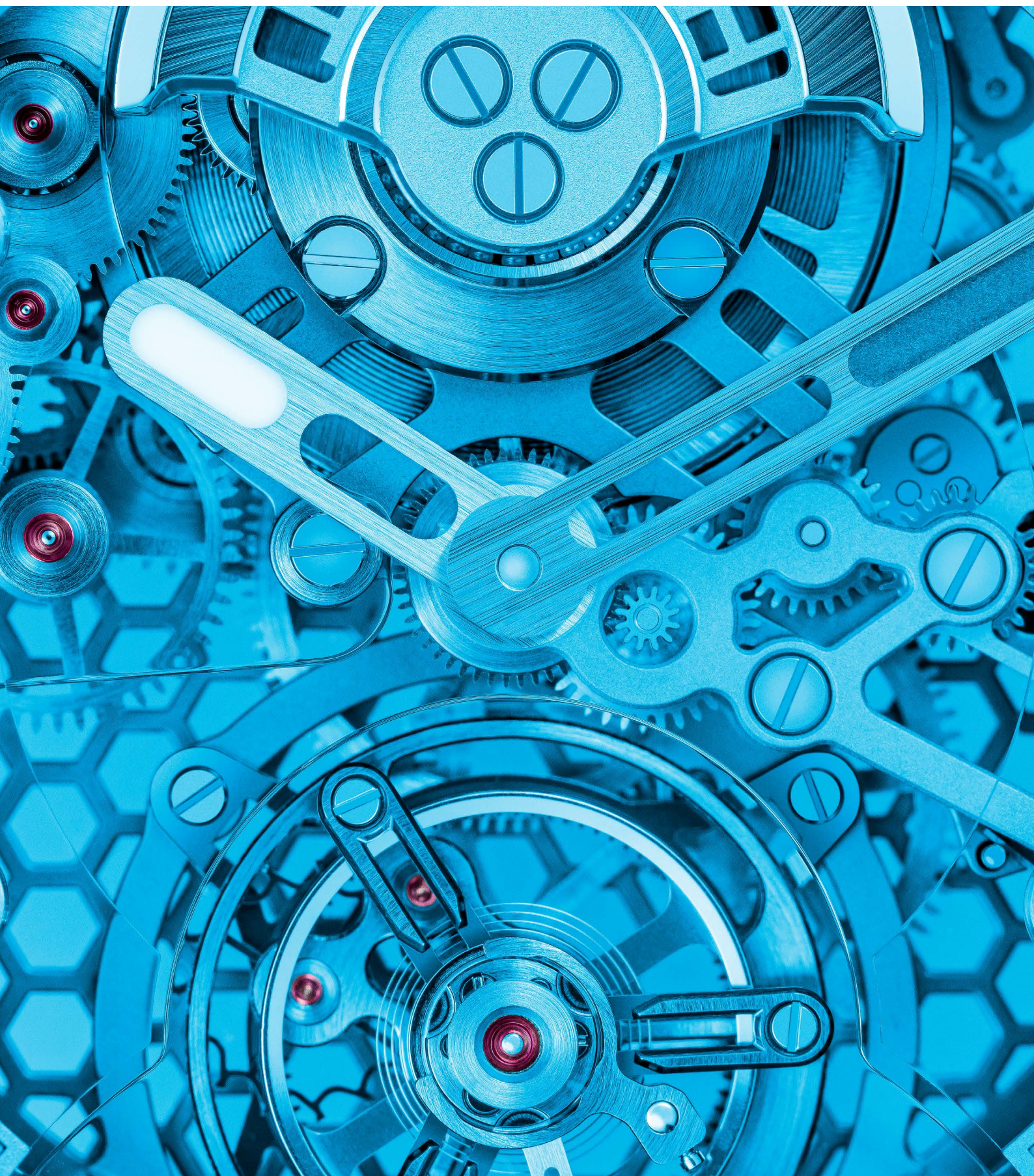




Fédération de l'industrie horlogère suisse FH
Verband der Schweizerischen Uhrenindustrie FH
Federation of the Swiss Watch Industry FH

Annual Report 2024



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The word of

the President



“Nothing is ours, except time.”

The absolute clarity of Seneca’s words, reminding us that time is the only truly valuable asset we have, is undeniably striking. So how fortunate are we to work in an industry whose instruments not only measure this precious resource but enhance it with unparalleled know-how!

Yet, despite this poetic vision and the undeniable beauty of its creations, Swiss watchmaking is no stranger to the vagaries of the global economy. As an exporter par excellence and a producer of goods viewed as non-essential, it is particularly exposed to economic cycles that are often unpredictable and sometimes brutal, particularly for subcontracting. This was confirmed in 2024, when a trend that was barely perceptible in the second half of 2023 gained pace, magnified by an increasingly volatile Chinese market. Driven by the persistent crisis in the property sector, the decline spread rapidly, severely affecting a wide range of industries, including our own. We should, however, bear in mind that the trend in the rest of the world was more favourable, although shortly afterwards the problem of tariffs inflicted on Switzerland by the new US government was added to an already challenging economic context, exacerbating uncertainties for exporters and the whole of the value chain.

Against this demanding backdrop, the FH has resolutely pursued its commitment to supporting its members. It has collaborated closely with the Swiss authorities to improve the framework conditions in markets and fight growing protectionism. It has also worked to support free trade agreements with other high-potential countries, such as India and Thailand.

Furthermore, it has strongly defended the ‘Swiss made’ label internationally and revived the watchmaking parliamentary group in the Swiss parliament. Moreover, the publication of several FH guides has enabled its members to better navigate the regulatory environment, both in Switzerland and internationally.

We are delighted to see that FH services are increasingly popular with members, as evidenced by the record number of people sitting on our Legislative Monitoring Commission, which is responsible for monitoring changes in technical and corporate social responsibility (CSR) regulations all over the world. Thanks to this unprecedented level of representation and close cooperation between its members and in-house teams, the FH can respond regularly to public consultations, ensuring that the voice of our industry is heard well beyond the borders of Switzerland, in the European Union and on the international stage.

In Europe, indeed, the FH is honoured to take over the presidency of the Standing Committee of the European Watch Industry in 2025, thus consolidating our ability to act and influence at the highest level. Now more than ever, we are ready to defend the interests of our industry responsively and with determination.

Yves Bugmann





Highlights

of 2024

2024 was marked by a significant achievement in the fight against counterfeiting, where the FH's investigative know-how helped dismantle an international network run from Thailand. In terms of framework conditions, the FH had the opportunity to defend the sector's interests abroad, particularly by participating in the Federal Council's economic missions to China, Saudi Arabia and Qatar. It was also able to ensure the voice of the watchmaking industry was heard in the context of the free trade agreement signed between the European Free Trade Association (EFTA) and India. A parliamentary event organised at the very end of the year provided an opportunity to strengthen the sector's presence in the Swiss parliament and revive the "Watchmaking industry" all-party parliamentary group. Formed to strengthen the relationship between political actors and the watchmaking sector, the group will focus on establishing optimal framework conditions in Switzerland.



Dismantling of the “Prestige Replica” network

An exemplary investigation supporting Swiss watchmaking

A vast operation in 2024 resulted in shutting down the “Prestige Replica” international counterfeiting network, a major player in the distribution of fake Swiss watches. This success was the result of a meticulous investigation led by the Federation of the Swiss Watch Industry, in close cooperation with the French and Thai authorities.

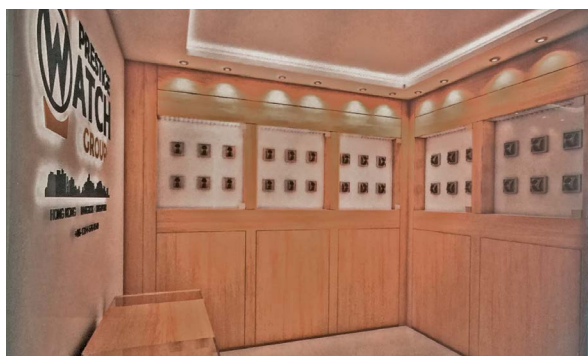
The investigation unfolded over several years and brought to light a counterfeiting network run from Thailand. The offenders were organising the sale via social media of copies of luxury watches made in China. The investigation was based on rigorous surveillance of the network’s online activities, test purchases and a detailed analysis of evidence, which enabled the identification of the ringleaders and the financial channels used for money laundering. Thanks to an innovative approach and advanced investigative techniques, the FH was able to identify the sources of production and distribution, accurately pinpointing the main actors involved.

The FH has extensive know-how in terms of gathering information and creating a solid file of evidence for prosecution. Its investigative reports played an essential role in the arrest of the head of the network and his accomplices, resulting in the seizure of significant assets from fraudulent sales. The

French courts convicted the main seller for actions related to the counterfeiting of watches and sentenced him to a prison term of four years and six months, plus a record customs fine of €200 million and damages for the brands that had joined the case as civil parties. The authorities were also able to identify a secondary network involved in corruption and the sale of information that had been obtained illegally, which resulted in several people being taken in for questioning and the closure of underground channels related to these activities.

The repercussions of this investigation go beyond simply dismantling a criminal network. They send a strong signal to counterfeiters and show that combating this scourge is a priority for the Swiss watchmaking industry. Counterfeiting represents a major economic threat every year, resulting in huge financial losses and damaging the brands’ reputation.

This success underlines the importance of vigilance and cooperation between the private sector and the public authorities to protect the excellence and know-how of Swiss watchmaking. The case marks a decisive step in the fight against counterfeiting in the watch industry and is a textbook case for operations of the same kind.



The promotional outlet as presented on social media and behind the scenes, with orders ready to be shipped.

Federal Council economic missions

The FH defends the interests of the sector abroad

Switzerland's economic missions play a key role in promoting the country's interests abroad. The value for the FH lies mainly in the opportunity to strengthen bilateral relationships and address the difficulties faced by its members when exporting. With over 95% of its production exported worldwide, the Swiss watchmaking industry is heavily dependent on good framework conditions in foreign markets. The FH therefore participates regularly in these missions to defend the sector's position.

Saudi Arabia

Vision 2030 is the name of an unprecedented economic transition programme in Saudi Arabia. Like its neighbours Qatar and the United Arab Emirates, the country has no shortage of ambitions and is ensuring it has the resources to achieve them. As a result, hundreds of billions of dollars will be invested over the next few years in flagship tourism projects and in infrastructure in the Gulf state, to reduce its dependence on oil. This transformation is being accompanied by an international charm offensive, including hosting the World Expo 2030 and the football World Cup in 2034. Often criticised for its social conditions, the country has also embarked on reforms affecting the whole of the Saudi population. Now ranked in 15th place for watch exports and the second-largest market in the Middle East after the United Arab Emirates, the long-term potential of the Saudi monarchy is clearly palpable.

Nonetheless, problems persist, especially in terms of import procedures, making access to the market more complex for FH members. These difficulties are linked to a patchy application of the provisions of the free trade agreement between EFTA and the Gulf Cooperation Council countries, and to specific certification obligations. These problems, which force Swiss watchmaking firms to submit certificates of origin, test reports and other documents before watches can be imported, were addressed by the FH and representatives of the Swiss government in a meeting with the Saudi Trade Minister, Majid bin Abdullah Al Qasabi.

In terms of the fight against counterfeiting, the FH is pursuing a programme of action in the country that results in the seizure of over 100,000 fake Swiss watches every year, thus reducing the visibility of fakes and strengthening consumer confidence in genuine products. Seizures take place at the borders but also in the country's markets. Cooperation with the Saudi authorities is working well, although there is room for improvement in the flow of information, as well as the submission of photos and official documents.



The Swiss delegation during the economic mission to Qatar by Federal Councillor Guy Parmelin.

Qatar

Qatar is clearly not to be outdone in terms of mega-projects and is also pursuing an agenda for 2030 aimed at further reducing the dependence of the country's economy on liquefied gas. The problems encountered by the Swiss watch industry are similar to those found in Saudi Arabia. They include, in particular, the failure to apply certain provisions of the free trade agreement, making importing Swiss watches more laborious than necessary. These issues were addressed during a meeting with senior figures from the Qatari Ministry of Trade and Industry. However, there was pleasing news on the issue of protecting intellectual property rights. During the football World Cup in 2022, the FH – with support from the Swiss embassy in Doha – ran training for the Qatari authorities and organised a clean-up operation aimed at reducing the visibility of counterfeit watches to zero during the event. The initiative was a success and last year the Qatari authorities committed to maintaining pressure on stores tempted to sell fake Swiss watches.

China

After a long pause due to Covid, Federal Councillor Guy Parmelin resumed economic missions to China with a visit to the country in early July 2024. An economic delegation including the FH, as well as a scientific delegation, accompanied him on this important mission. China is Switzerland's third-largest trading partner, with a volume of bilateral trade totalling

33 billion francs. It goes without saying that China, as well as the Special Administrative Region of Hong Kong, are also some of the most important markets for the Swiss watch industry, accounting for 15% of Swiss watch exports in 2024. Although the market is currently facing economic challenges that are also affecting the watchmaking sector, its medium- and long-term prospects remain intact or even positive, given that Chinese consumers traditionally have a penchant for high-quality Swiss products, particularly watches.

One of the main objectives of Federal Councillor Parmelin's mission was to update the free trade agreement between the two countries, which celebrated its 10th anniversary in 2024. This agreement has substantially reduced customs duties on watchmaking products and helped to promote Swiss exports to China. However, some customs duties, varying between 4% and 8%, remain for some watchmaking tariff headings. Removing these duties completely would therefore be particularly beneficial for the sector. Negotiations were initiated between the two parties.

The topic was also discussed with the Chinese Minister of the Economy, Wang Wentao, during the official meeting. During discussions with the Chinese delegation, *economiesuisse*, *Swissmem* and the FH had the opportunity to address issues specific to the sector directly with the minister. Among other things, the FH raised the issues of protecting intellectual property and counterfeiting, which undermines the sector and weighs heavily on exports. The regrettable appearance of unofficial repair centres, which are designed to look like after-sales service centres accredited by the brands and thus deceive Chinese consumers over the quality of service provided, was also raised. The Chinese Trade Minister provided reassurance in response to the fears expressed, commenting that protecting intellectual property rights was also a priority for the country's authorities and that closer cooperation with Swiss industry was not only topical but also desirable.



The Swiss delegation accompanying Federal Councillor Guy Parmelin multiplied contacts and visits during the economic mission in China.

Free trade with India

Highly promising prospects, but. . .

The free trade agreement between EFTA and India was signed in New Delhi on 10 March 2024 after 16 years of negotiations, often punctuated by long interruptions. Switzerland and other EFTA member states are thus the first European partners to have sealed such an agreement with India.

Among other things, India has granted Switzerland improved access to its market for almost 95% of Switzerland's current exports (except for gold) and over 95% of current exports of industrial products. As a result, Swiss exporters can count on savings of up to 166 million francs in customs duties annually, subject to the various transition periods agreed.

Indian customs duties on watches, which are currently 20%, will be removed from all Swiss watchmaking products within seven years. Duties will be reduced on a linear model each year during this period, which will begin when the agreement comes into force. Four tariff headings relevant to particular watch movements will benefit from the removal of customs duties as soon as it comes into effect. Jewellery products, like gold, are excluded from the scope of the agreement. It should

be noted that Switzerland has applied relief from customs duties to all imports of industrial products since 1 January 2024.

Preferential rules of origin for watchmaking products are similar to those found in the vast majority of other existing agreements, namely list rules, with a maximum of 40% non-originating value.

As the FH wanted, the agreement improves protection for the brands as well as the "Swiss" designation. A specific system will be introduced between India and Switzerland on the use of the "Swiss" designation when registering trademarks.

The agreement with India is also the first of its kind to open up the market to investment commitments. Specifically, EFTA member states have committed to increasing their investments in India by \$100 billion, thus creating one million jobs over the next 15 years. At the same time, India has committed to creating and maintaining a climate that is conducive to investments. Total Swiss direct investment in India totalled 7.3 billion francs at the end of 2022. Moreover, 330 Swiss busi-



The free trade agreement between EFTA and India was signed on 10 March 2024.

nesses, including several watchmaking brands, were present on the Indian market in the form of joint ventures, subsidiaries or branches.

It goes without saying that a favourable investment environment is essential for achieving the objectives set out in the agreement. Although, among other things, India has committed to creating a structure aimed at supporting Swiss SMEs, the priority remains the signature of a new bilateral agreement on promoting and protecting investments, since the previous agreement was terminated by India in 2017.

A climate that is conducive to investment also means a significant simplification and lightening of administrative procedures and double taxation. It is important to note that, on this last point, Swiss businesses remain under significant and administratively highly cumbersome constraints, particularly in terms of registration obligations and the taxation of dividends. In the watchmaking sector, restrictions on distribution and sales also limit opportunities for development and therefore investment: sale prices are fixed and a single-brand sales outlet is not allowed to offer products sold under other brand names, even those belonging to the same group, for example.

Last but not least, the plan to increase the Goods and Services Tax from 18% to 28% on watches higher in value than 25,000 rupees (approximately \$300) is a significant risk for the development of the Indian watch market. This is a domestic tax, equivalent to VAT, and clearly falls outside the scope of the free trade agreement; however, the proposal to increase it would effectively wipe out some of the beneficial effects of removing customs duties.

The procedure to ratify the agreement in the Swiss parliament began during the 2024 winter session, with the aim of completing the ratification process in 2025 at the latest.

Public affairs

Revival of the “Watchmaking industry” all-party parliamentary group

The increase in the number and complexity of the laws and regulations impacting the Swiss watch industry either directly or indirectly has resulted in the need to consolidate the relationship between the sector and political circles. Creating a parliamentary group has several aims, which are key to guaranteeing the long-term viability and competitiveness of a sector that is essential to the Swiss economy. One of the primary objectives is to work on establishing optimal framework conditions to maintain a robust industrial fabric, both for the brands and for subcontracting. It is also about preserving and protecting high-quality, innovative and competitive Swiss watchmaking, covering all price segments, on both the domestic and international markets. Although watchmaking benefits from global recognition as a Swiss product of excellence, the challenges and political risks are numerous. It is essential to remain vigilant and active in the face of these challenges.

The FH hopes that the parliamentary group will help strengthen the relationship between politicians and the watch industry. Cooperating in this way will help to increase the visibility of the sector, especially in the regions where its presence is still limited, particularly in German-speaking Switzerland and Ticino. Its interests will thus be better represented in parliament and its committees.

The “Watchmaking industry” all-party parliamentary group, to give it its official name, was revived at an event in the Swiss parliament building at the end of the day on 17 December 2024. In the first, more formal part of the event, National Councillor

Damien Cottier officially recognised the reconstitution of the group and the appointment of around 10 joint presidents from all the language regions and all political parties.

The event was also an opportunity to raise awareness among parliamentarians of the needs of the watch industry and the challenges it faces. The President of the FH presented the sector and its importance for the Swiss economy, before turning to a number of current priority topics: protecting free trade (particularly with India, China and Mercosur), the strength of the franc, the relationship with the European Union (free movement of people and participation in research programmes), the administrative burden on businesses and the involvement of the customs authorities in seizing counterfeits. Four representatives of firms in the sector then returned to these points or added others, such as training and the reduction in working hours, illustrating them with concrete examples from their businesses. Many parliamentarians reacted or asked questions during a highly interesting discussion.

Numerous representatives from the watchmaking industry were keen to address important topics with the politicians present. In all, around 20 parliamentarians took part in the event, while the average is often less than 10 or even as low as five for similar events. The feedback received showed that the FH had succeeded in arousing a significant level of interest among many of those present. The discussions continued more informally during a drinks reception to round off the event. The aim of raising awareness among parliamentarians of the importance and challenges of the Swiss watchmaking industry was achieved in full.



The event organised by the FH at the Swiss parliament building in December was an opportunity to revive the “Watchmaking industry” all-party parliamentary group.





Panorama of the

2024 activities

As the leading organisation for Switzerland's third-largest export industry, the FH has many objectives: improving the underlying conditions in the sector in Switzerland and the rest of the world, dealing with the challenge of counterfeiting and, for example, supporting its members and keeping them – as well as the media and consumers – fully informed. The following pages present a selection of actions carried out by the Federation in 2024.



Improvement of framework conditions

The FH pursued its aim of supporting the best possible commercial framework conditions in 2024, with a particular emphasis on free trade and reducing barriers to doing business. Its efforts were supported by an extensive network of partners, particularly *economiesuisse* and the State Secretariat for Economic Affairs (SECO). Among other things, it took part in several joint committees, which are set up for each free trade agreement to ensure it is implemented correctly. The FH was active in several markets, for example through memoranda in Saudi Arabia, Indonesia, Turkey and India, and by issuing position statements, particularly on the 12th package of sanctions against Russia. It also took a stance on various initiatives supporting free trade agreements between India and EFTA, and between Thailand and EFTA.

At the request of SECO, the FH was consulted by *economiesuisse* regarding the situation of watchmaking in the following markets: Argentina, Chile, China, Côte d'Ivoire, Indonesia, Italy, Mexico, Moldavia, Peru, Qatar, Saudi Arabia, Senegal, Slovenia, Turkey, Ukraine, the United States and Uzbekistan. The main topics covered were market access conditions, technical and administrative regulations, technical barriers to trade, distribution arrangements, the protection of intellectual property rights and in some cases, temporary imports.

Gulf Cooperation Council

The free trade agreement between Gulf Cooperation Council member states (Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates) and EFTA has been in force since 1 July 2014. In 2024, the FH once again took the diplomatic route to highlight that certain provisions in the agreement are not always applied by all the states mentioned above. The difficulties lie essentially in the administrative requirements associated with accompanying documents and customs clearance for goods, and in relation to product compliance certificates. In practice, the declaration of origin on an invoice is not always accepted for approved exporters, even though this provision is written into the agreement. This means that instead, exporters have to provide EUR.1 movement of goods certificates, in addition to certificates of origin, depending on the destination markets. Moreover, the restrictive and costly requirement for compliance tests imposed by the local authorities when metal watches and bracelets enter the Saudi Arabian market is contrary to the agreement's aim of reducing technical barriers, and hinders smooth trade. Accordingly, the FH submitted two memoranda to the Swiss authorities following Federal Councillor Guy Par-

melin's economic missions to Saudi Arabia and Qatar in early 2024. It reiterated its request for the swift and permanent removal of additional administrative formalities, which are viewed as incompatible with the spirit and objectives of the free trade agreement.

Turkey

The FH highlighted the persistent challenges associated with protecting intellectual rights at the meeting of the joint economic commission for the EFTA-Turkey free trade agreement at the end of the year. It took the opportunity to react to the introduction of a bill in the Turkish parliament in early October, aimed at establishing an additional 10% tax on watches valued at over 5,000 Turkish lira. The bill is part of a series of tax measures aimed at financing the country's defence industry fund. The FH drew the attention of the Turkish authorities to the highly negative and counter-productive consequences of such a measure. The whole of the watch industry and the supply chain, in both Switzerland and Turkey, would be directly impacted to a significant degree. The price increases resulting from an additional tax would weigh heavily on end consumer demand in Turkey, from both foreign tourists and local customers. Duties and taxes systematically encourage smuggling, resulting in widespread unfair competition to the detriment of actors in the formal market. Finally, a bill of this kind is contrary to the spirit and aims of the free trade agreement between Turkey and EFTA, which was updated three years ago. All these reasons prompted the FH to ask the Turkish authorities to consider removing watches from the bill on a permanent basis. Although the bill was deferred due to numerous criticisms, the FH will continue to monitor any developments.

China

The bilateral free trade agreement between Switzerland and China has been in force since 1 July 2014. Since then, bilateral trade has increased significantly. Swiss watch exports to China, for example, increased from 1.5 billion francs in 2013 to 2.1 billion in 2024 (+41.4%).

Negotiations aimed at updating the existing agreement were formally launched in September. Areas for improvement agreed by both parties include the trade in goods, customs duties, rules of origin and trade facilitation. The FH has indicated its support for the revision and aims to see the removal of the remaining customs duties in watch and jewellery products. In terms of rules of origin, it reiterated its wish to review the principle of territoriality and allow a tolerance of up to 10% of the ex-works price, in line with other existing agreements.



The FH took part in Federal Councillor Guy Parmelin's economic mission to Qatar (see Highlights section on page 9).

It raised the issue of preferential customs clearance for products of Chinese origin in contravention of the provisions of the agreement, and requested the removal of the direct transport rule. The trade facilitation targeted by the agreement was also highlighted. The FH will strive to achieve numerous improvements in 2025 as part of the negotiations, with a particular emphasis on the fight against counterfeiting, since the vast majority of fake watches are still produced in mainland China.

Indonesia

Over two years after the entry into force of the free trade agreement between EFTA and Indonesia, the FH grasped the opportunity of the second meeting of the committee to ask the customs authorities to apply the tariff reductions set out in the agreement immediately and in full. In practice, it had been found that some importers of Swiss watches were not benefiting from the preferential rates provided for in the programme of reduced customs duties. Alongside free trade, the entry into force on 1 August 2024 of the new bilateral investment protection agreement between Switzerland and Indonesia was a source of satisfaction for the FH, which had stated it was in favour of its ratification. In practical terms,

the agreement provides protection from discriminatory state measures and illegal expropriations, and guarantees the free transfer of investment-related payments. Dispute resolution procedures allow both states and investors to apply to an international arbitration tribunal to order compliance with the agreement, if necessary.

United States

The United States has been the leading export market for Swiss watchmaking since 2021, following a decade of dominance by Hong Kong. It absorbed 17% of Swiss watch exports in 2024, valued at 4.4 billion francs. Although exporting watchmaking products to the United States generally does not present any major difficulties, the FH nonetheless took advantage of the economic and scientific mission led by Federal Councillor Guy Parmelin to Washington in April 2024 to report two significant barriers, given the volume of exports. These were first, the US requirement for a detailed cost breakdown on invoices, which represents a significant amount of extra work for Swiss firms. Secondly, requests for CITES certificates for the watches concerned are subject to delays of several months, given the lack of resources in the US Fish and Wildlife Service.

Russia

The FH maintained continuous contact with the State Secretariat for Economic Affairs in 2024 concerning the sanctions adopted by the European Union and G7 member states against Russia, to ensure that the provisions were harmonised and implemented effectively at the international level. It also strove to deliver the definitions, interpretations and implementation arrangements specific to Switzerland, the EU and the United States, particularly in the context of new provisions on sanctions against Russian diamonds. The ban on purchases and imports of non-industrial diamonds of 0.5 carat or more, processed in a third state and originating in or sourced from Russia, came into force on 1 September 2024.

Switzerland

Consultations on the economic situation

The FH took part in regular surveys organised by the State Secretariat for Economic Affairs and *economiesuisse* on the changes in Switzerland's economic position, in light of the business, employment and investment situation, as well as an assessment of the recovery in the Chinese market and the consequences of geopolitical tensions.

Revision of the Customs Act

The revision of the Customs Act mobilised forces in 2024 in light of worrying developments in the legislative package in the spring, when it was examined by the National Council. It was necessary to defend the maintenance of a customs declaration for all imports and exports before the ad hoc committee of the Council of States, in order to have a positive influence on the vote in the Council of States. Following a further appearance before the Economic Affairs and Taxation Committee of the National Council, progress was finally made on reconciling diverging opinions. It remains the case, however, that customs procedures need to be simplified for businesses. The FH is working to make streamlined processes available to its members, while guaranteeing comprehensive and reliable export statistics. It also communicated the needs of the sector in terms of customs reform and the digitalisation of processes.



Diamonds with a link to Russia, including those set in watches made from precious metals, are affected by sanctions.

Information and public relations

Media relations

The Swiss watch industry again caught the attention of the local, national and international media, which kept a close eye on trends in the sector, its economic situation and the initiatives taken by the FH in 2024. The new president of the FH was approached by numerous media outlets as soon as he took up his role, swiftly establishing close links with the press. Renowned titles, such as *Le Monde* and *The New York Times*, highlighted the excellence of Swiss watchmaking and the central role played by the FH in the industry.

Questions around the protection of intellectual property, the fight against counterfeiting and market trends prompted significant interest, resulting in a series of analyses and publications. The year ended with an interview on behalf of the International High-Precision Trade Show (EPHJ), offering an opportunity to emphasise the importance of subcontracting in watchmaking and review the sector's position.

The president of the FH took part in numerous events, including the EPHJ and Time to Watches trade shows in Geneva and the Technical Watchmaker Show in La Chaux-de-Fonds. These provided an opportunity for him to give several presentations and speeches. He also spoke at the opening of the Biennale du Patrimoine horloger watchmaking heritage event, the Hong Kong Watch and Clock Fair and, as tradition dictates, to pupils at the French secondary school in Bienne.

Revue FH

The *Revue FH* remained loyal to its objectives by continuing to inform members of the Federation and its subscribers in both print and digital versions. The magazine covers a wide array of topics, ranging from FH activities to the latest news from the brands and co-contracting, as well as export statistics, new products and extracts from the trade register. It remains highly popular with its readers and advertisers, who view it as an important resource for promoting their new products or activities.

Website

The FH website is seen as an essential point of reference in the world of watchmaking and attracted a significant level of traffic in 2024, with several million page views. It stands as an essential information channel, covering not only news from

the FH but also firms in the sector and the new models on the market. In addition, it provides valuable data on watch exports, the Swiss made label and the challenges associated with the fight against counterfeiting.

Promoting Swiss watches

The FH promotes Swiss watches throughout the year, with the aim of raising public awareness of the values they represent and highlighting their quality.

Several themes dominate – all values shared by the whole of the watchmaking industry – namely Switzerland, Swiss made, history, design, manufacturing, precision and complications.

Several channels are used to promote Swiss watches to their target audience. They include social media, a travelling exhibition called *watch.swiss* and a website.

The 6,000 or so followers on our Facebook and Instagram accounts have enjoyed a wealth of content, from profiles of watchmaking firms to fascinating landscapes, inspiring personalities and a wide variety of Swiss watches. The 65 videos posted in 2024 reached almost 3 million people and prompted over 15,000 interactions.

The travelling exhibition was shown twice to an international audience towards the end of the year, in Belgium and the Netherlands. It was set up in high-end shopping centres, attracting the types of customers who reflect the FH's target visitor. With 400,000 monthly visitors, the Woluwe Shopping centre, close to Brussels, welcomed *watch.swiss* from 6 to 14 September. From 29 October to 4 November, the exhibition moved to the Westfield Mall of the Netherlands, in the Hague region. The shopping centre attracts up to 15 million visitors a year and is located in an area of high purchasing power.

Visitors particularly enjoyed the fun and interactive side of *watch.swiss*, discovering every aspect of Swiss made watchmaking, assembling a movement virtually and learning in depth about the values that contribute to Switzerland's reputation in the world.

At the same time, the version of the exhibition designed especially for the Japanese market, *watch.swiss Japan*, was at the heart of several events during the year under review (see the section on FH centres abroad, page 30).





The watch.swiss exhibition at the Westfield Mall of the Netherlands.

The website www.watch.swiss echoes both the exhibition and the content posted on social media. Work on redeveloping the platform began in 2024, with the aim of making it a key point of reference for know-how, people, places... and, of course, Swiss watches in all their diversity.

Watch industry statistics and market analysis

The FH publish watch export statistics on a monthly basis. These official customs data, broken down by market, material and price segment, provide a detailed view of the development of the sector. They also serve as a reference for brands to analyse trends and compare their performance. At the same time, modelling based on advanced macroeconomic indicators can be used to anticipate medium-term trends based on past performance.

However, studies of the watch market and its outlook are not limited to these statistics. They also include other key elements, such as trends in the luxury goods sector, sell-out information,

the transformation of the pre-owned market and the preferences of different generations of consumers, as well as external factors such as the economic context, the digital transition or social and environmental issues.

Continuous monitoring of these various factors is reported in a weekly newsletter sent to members of the FH who request it. The newsletter summarises the latest news on various topics associated with the watchmaking industry, based on a wide variety of sources.

These analyses are explored in more depth in the business magazine *Tendances*, which is published quarterly. The watch market in 2024 was marked by the sharp decline seen in China and Hong Kong, and by the significant disparities between different actors in the sector.

Finally, a widely distributed half-yearly press release supplements the FH's communication of information on watch industry statistics and market trends.

General Meeting

The 2024 General Meeting was held at the Beau-Rivage hotel in Neuchâtel, with a large number of people attending. All the items on the meeting agenda were accepted and some of the FH's flagship activities, particularly around the fight against counterfeiting and protecting free trade, were reviewed. It was also an opportunity to bid farewell to Jean-Daniel Pasche, after more than 30 years of loyal service at the head of the umbrella organisation for the watchmaking industry. Attendees then enjoyed a lecture by Silvia Quarteroni, head of the Innovation unit of the Swiss Data Science Center (a joint venture between EPFL and ETH Zurich), on the subject of artificial intelligence.

Scope of activities

The FH pursued numerous activities in 2024 to prevent counterfeiting on behalf of members of the Anti-Counterfeiting Group and the Internet Unit. We are reporting only the most salient points here, since a separate report is available to interested readers on request.

Seizure operations on the markets

Saudi Arabia

The activities carried out in Saudi Arabia in recent years showed that many well-established stores in the country's main cities were continuing to offer counterfeits in large numbers. The FH therefore repeated its campaign for the third consecutive year in 2024, as part of its ongoing efforts to tackle this scourge on the sector.



The 2024 General Meeting was the first chaired by Yves Bugmann.

The fight against counterfeiting

Following a series of investigations, 14 raids were conducted throughout the year in the cities of Riyadh, Jeddah and Dammam, in collaboration with the local authorities. These resulted in the seizure of over 130,000 fake Swiss watches. Complaints were filed in each case and proceedings were started on behalf of members of the Anti-Counterfeiting Group taking part in the programme of action.

At the same time, the Saudi customs authorities scored some notable successes, with over 20,000 fake Swiss watches seized, from King Fahd international airport in Dammam and the Islamic port of Jeddah, among others. Again, proceedings were begun by local FH representatives on behalf of the brands affected.

Brazil

In early November, the authorities from the Federal Revenue Service Repressive Unit in São Paulo launched operation “Barba Negra”, aimed at removing all counterfeit products from Shopping 25 de Marzo, one of the biggest shopping centres in Brazil. Due to an information leak, which had already prompted the authorities to change target at the last minute (the original target was another shopping centre in the “25 de Marzo” chain, in the Brás district), almost 40% of the 900 stands in the mall had been cleared by their owners when the authorities launched the raid. Nonetheless, the operation resulted in the seizure of around 350,000 counterfeit products, including several hundred fake Swiss watches.



This type of store, which is full of counterfeits, is a high-priority target for seizure operations in Saudi Arabia.

Figures in brief

Seizures	2'905
Products confiscated	250'681
Countries involved	48

It then moved to the Jutha Fashion Mall, where almost a million counterfeit products were seized. However, there were no fake Swiss watches on sale there, since it is mainly dedicated to the sale of textiles and shoes. Although the quantities seized were significantly lower than around 10 years ago, these large-scale operations are still important for showing the counterfeiters that they cannot act with impunity. Moreover, the fact that there are fewer watches seized proves that their visibility has fallen, which is actually one of the main objectives of the fight against counterfeiting.

Egypt

Several stores identified as selling counterfeit watches were the target of raids by the Egyptian police force in 2024. These 14 actions (mainly in the Cairo region) resulted in the seizure of 28,000 fake Swiss watches. Complaints were filed and proceedings are underway against those responsible. One of the outlets had already been the target of a police raid in



A robust intervention at the entrance to the “25 de Marzo” shopping centre during operation “Barba Negra”.

one of its other premises, with harsher penalties expected for the accused.

Following an investigation by FH representatives, the Cairo police also carried out searches at the premises of wholesalers of counterfeit display cases. Over 5,000 display cases mimicking the brands of members of the Anti-Counterfeiting Group were confiscated and proceedings are underway against the owners and managers of the companies concerned.

International cooperation

The FH had the opportunity to attend a meeting organised by EUROPOL in Malta in late April, alongside other rights holders. The event brought together representatives from the police, customs authorities and the European Union Intellectual Property Office, alongside international organisations such as the US Department of Homeland Security.

The main aim of the meeting was to strengthen cooperation between the enforcement authorities and rights holders, by encouraging information exchange and developing strategic and operational partnerships. Collaboration based on information sharing, implementing joint actions and mutual support was at the heart of the discussions. In particular, participants highlighted the importance of incorporating information provided by rights holders into police investigations, both within the EU and internationally.



One of the stores searched by the Egyptian police.

Key actors from the private sector, including the FH, also offered their expertise in combating the counterfeiting of electronic products.

Training for the authorities

Training for the authorities is an essential part of the fight against counterfeiting. The sessions in which the FH participates are aimed at raising awareness among police officers, customs officers and judges, while giving them the skills to differentiate genuine watches from imitations, a task that is becoming increasingly complex as the quality of counterfeits improves. The courses also provide an opportunity to talk to key actors in the fight against counterfeiting, to gain a better understanding of the challenges they face on the ground and provide them with appropriate tools.

In 2024, the FH delivered over 20 training courses in 14 countries (Czech Republic, Egypt, France, Italy, Lithuania, Macedonia, Malaysia, Mauritius, Morocco, Netherlands, Portugal, Spain, Turkey and the United States), with almost 1,500 officials made aware of the issue of counterfeit watches as a result.

Actions on the internet

The FH ended the 2024 financial year with over a million (1,074,866) advertisements for counterfeit watches withdrawn from e-commerce platforms and social media. It is thus continuing a trend that began in 2023, crossing the million withdrawals threshold for the second time running in recent years.

Although these figures are encouraging and reflect a well-honed, effective approach to combating counterfeiting, the reality on the ground unfortunately shows an uneven battle. In practice, sellers are using more and more strategies aimed at concealment and bypassing the rules. Concealment involves removing any reference to the brands in the product descriptions published online, to escape detection mechanisms and complicate the work of rights holders when they receive a notification. The second strategy, known as bypassing, relies on selling products that reproduce the design or emblematic appearance of Swiss watches, while replacing the original brand with an unknown or cover name, effectively a fake brand. More recently, a new phenomenon has emerged: modifying watches from third-party brands to make them look almost identical to Swiss watches.

Identifying counterfeit offers and justifying why they should be withdrawn is therefore becoming increasingly complex. Theoretically, these obstacles could be overcome through the protections offered by designs or three-dimensional trademarks. However, their recognition by the platforms remains uneven and they often impose restrictions that hamper their effective use. This issue can also be seen in the context of more traditional notifications based on registered trademarks: the platforms are demanding ever-more evidence from rights holders, making proceedings more cumbersome and accentuating the imbalance in the fight against the counterfeiters.

In terms of websites dedicated to counterfeit watches, effective surveillance continued thanks to WebIntelligence, the bespoke system developed by the FH. Hosting companies that fail to respond to the usual notices to remedy are identified and investigated. It should be noted that the FH won its first legal action against an illegal website that was fraudulently imitating its official site. The decision fully vindicated the FH's arguments and ordered the transfer of the domain name, which is now under its control.

As part of its legislative monitoring, the FH paid particular attention to developments around the EU's artificial intelligence regulation, which was adopted in June 2024. It has

also kept a close watch on the full implementation of the European digital services regulation, which came into full effect in February this year, alongside similar regulatory initiatives in Switzerland, rigorously monitoring their evolution.

Finally, and as they do every year, the specialists in the Internet Unit stayed abreast of new technological developments. Several current topics were shared with the representatives of the brands, including the integration of artificial intelligence into the FH's monitoring tools and the outlook for further developments, particularly in the field of machine learning. In addition, a detailed presentation was devoted to the new system established for facilitating access to information on the owners of domain names, which acts as a central repository for requests for access to the data.

Technical analyses

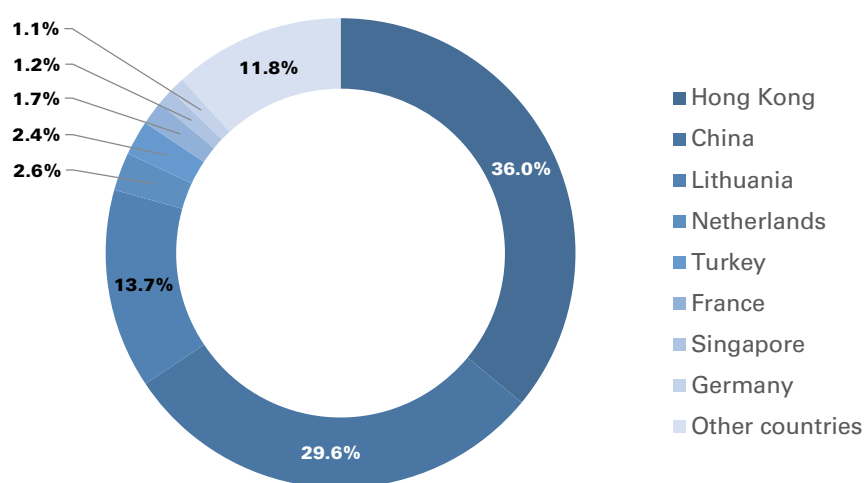
A total of 98 detailed analyses of watches selected by FH experts were carried out in 2024. At the same time, there was a significant modernisation of the system in both physical and software terms. A new database of technical analyses of counterfeit watches was developed internally and new measuring devices installed. The FH now has an optimal range of scalable tools, since the whole system was designed in-house.

Seizures processed

The year under review was marked by a 8% increase in seizures processed (1,860 compared with 1,722 in 2023). The number of official declarations of counterfeits also rose by 28% (784 compared with 612 in 2023). In total, 1,543 items were seized at Swiss borders, postal and tourist traffic combined.

Joint intervention request in Switzerland

In terms of joint intervention requests by the FH, there were 570 cases covering 823 items. The number of countries of origin for products seized by the customs authorities rose to 57, compared with 46 in 2023. Lithuania, which remains under special surveillance, represented 13.7% of the total origins declared. This surprising finding is linked to logistics flows from China, with packages arriving first in Lithuania before being re-routed to various final destination countries in Europe, including Switzerland.



Provenance of watches seized by customs.

Hong Kong Watch and Clock Fair

The FH carried out its surveillance operation at the Hong Kong Watch and Clock Fair, which ran from 2 to 7 September 2024, to ensure respect for its members' intellectual property rights. The operation resulted in the filing of 37 complaints on behalf of FH members taking part in the initiative.

Although the result was positive overall, it was less satisfactory than in 2023. While 22 complaints were deemed admissible and based on legitimate grounds, 15 were dismissed. Moreover, the fair panel did not process all the complaints within the usual time scales and only communicated two of its decisions – which, furthermore, were negative – several weeks after the fair, without providing reasons for the dismissals.

One of the problems raised concerned the fact that the decisions on the first 20 complaints were only communicated on the second evening of the event. When it analysed them, the

surveillance team found that the definition of “overall impression” used by the panel was notably different from the one applied the previous year. As a consequence, 11 of the complaints had already been deemed inadmissible.

Most of the dismissals concerned watches with stone or other settings. Members of the panel considered that if the number, size or orientation of some stones or decorative elements were not an exact reflection of the registered designs, then the complaint was unjustified and therefore dismissed. Delayed processing of the complaints unfortunately resulted in a late appreciation that their subject matter needed to be reoriented and therefore focused on copies of watches that were absolutely identical to the registered designs to maximise the chances of success.

Standardisation

2024 was marked by an intensification of standardisation activities in the watchmaking sector, accompanied by a significant increase in the number of meetings and the amount of time invested by experts. This momentum can be explained both by the creation of three new working groups – on Physical Vapour Deposition (PVD) coatings, the roughness of watchmaking components and the magnetic resistance of watches – and by the intensification of discussions in the technical committees.

At the national level, work on revising the NIHS standards made significant progress, particularly in the research field. Important advances were made in studying the resistance of watchmaking components to chemical agents through collaboration with European laboratories. Tests conducted with substances such as cosmetics and chlorinated agents should result in the incorporation of specific protocols in the standard concerned.

At the international level, the FH's management of the ISO/TC 114 committee enabled Switzerland to play a leading role in watchmaking standardisation. Several working groups contributed to the development and revision of standards, particularly those on the water-resistance of watches (ISO 22810) and horological vocabulary (ISO 6426-2). The revised *ISO 17514 - Time-measuring instruments - Photoluminescent deposits - Test methods and requirements* standard was published in early 2024. The FH was also a key actor in the publication of a standard on quality control of small diamonds, a decisive step

forward in guaranteeing the traceability and natural origin of these materials, in a context of increased competition with synthetic products. Efforts to maintain high standards in the use of natural diamonds were praised by the World Jewellery Federation following the presentations given by the FH at the conference in Shanghai.

The FH's commitment to the standardisation of precious metals was illustrated by its active participation in the ISO/TC 174 and CEN/TC 410 committees. These collaborations aim to harmonise international and European standards to strengthen the competitiveness of the Swiss watchmaking industry. Moreover, the development of a standard on responsible procurement of precious metals, including traceability and recyclability criteria, reflects a determination to keep a close watch on sustainability and ethical responsibility. In the same field, developing a standard for life-cycle analyses of watchmaking products has helped to harmonise methodologies to assess their environmental impact more effectively. This initiative echoes the increasing demands of consumers and lawmakers in terms of sustainability.

Finally, the FH was delighted by the significant interest aroused by the set of gold alloy colour samples. It also took the decision to publish a collection of standards on precious metals, as well as an electronic version of the extract of standards aimed at students and professionals.

Legal and economic services

Several services are available on the FH extranet site. These are reserved for its members, giving them access to privileged information and useful working tools. Topical news items linked to FH activities or matters of direct concern to members are updated regularly. Five subject-specific newsletters, on the fight against counterfeiting, both online and in the field, trends in the watchmaking market, standardisation and regulatory affairs form part of this information.

Legal services

The FH dealt with a wide variety of projects and questions raised by its members throughout the year. Swiss made, rules of origin, the review of the law on cartels, fraudulent registration in China of trade marks identical or similar to Swiss watchmaking brands, a new regulation and directive on community design, the right to repair and the issue of counterfeits for after-sales service, among others, were the focus of its lawyers' attention. Interested FH members received regular information on new developments in these areas through the regulatory affairs newsletter or as part of its various commissions.

The revision of the Customs Act mobilised forces in 2024 in light of the disturbing turn of events taken by the legislative package in the spring, when it was reviewed by the National Council. It was necessary to defend the maintenance of a customs declaration for all imports and exports before the ad hoc committee of the Council of States, in order to have a positive influence on the vote in the Upper Chamber. Following a further appearance before the Economic Affairs and Taxation Committee of the National Council, it finally seemed possible to reconcile diverging opinions. It remains the case, however, that customs procedures need to be simplified for businesses. The FH is actively pursuing the possibility of making streamlined processes available to its members, while maintaining comprehensive and reliable export statistics.

Regulatory affairs were also in the spotlight, given the increasing number and greater complexity of the new legislative rules adopted. The FH worked to inform its members of the changes in the legislative framework and intervene where necessary. Batteries were subject to intensive surveillance, first with the publication of the FH guide on the US Reese's Law. This was accompanied by monitoring of the European regulation on batteries, insofar as the watchmaking industry could be obliged to market products that allow consumers to change batteries themselves. Environmental regulations also entail increasing burdens for the businesses affected by them. In particular, the

Corporate Sustainability Reporting Directive, the Ecodesign for Sustainable Products Regulation and the Deforestation Regulation impose new due diligence obligations, a risk assessment and full traceability on businesses. Ultimately, the European Union decided to defer the implementation date of the latter regulation by a year, in response to concerns about the compliance deadline. Switzerland was also active in this area, with the Federal Council launching a consultation on introducing new non-financial reporting requirements into the Code of Obligations, to align with EU rules.

Economic services

FH members have access to a wide range of statistical and economic data, mainly via the extranet. There they can examine all watch export statistics, track the quarterly market analyses published in the magazine *Tendances* and find information on the international performance of other key players in the sector. Interested members can also receive the weekly *Tendances* newsletter, an overview of news and trends in the watchmaking market.



Standing Committee of the European Watch Industry

At the invitation of the BV Schmuck+Uhren, the German, French, Italian and Swiss delegations to the Standing Committee of the European Watch Industry (CPHE) met in Pforzheim for their annual meeting on 6 and 7 June 2024. Chaired by Mario Peserico, the discussions focused initially on the current situation for watchmaking and the economic outlook in different parts of the world. In general terms, economic uncertainty and geopolitical tensions continue to affect consumer confidence, while the lack of visibility and standardisation of business growth remain major concerns.

On technical and legal matters, the CPHE gave an update on several European regulations, including REACH, RoHS and PFAS, as well as on Reese's Law in the United States, which imposes new restrictions on button cell batteries. Other regulatory changes addressed were the precious metals guarantee and sponsor's mark in France, the expected introduction, for watches subject to the RoHS, of unlimited recognition of CE marking instead of UKCA marking in the United Kingdom, and the sanctions imposed on Russian diamonds by the EU, the G7 and Switzerland.

Following the rotation principle, presidency of the CPHE passed from the European to the Swiss delegation at the end of the year. Yves Bugmann, president of the FH, will chair meetings of the CPHE for three years from 2025. The next meeting will be held in Switzerland in June 2025.

Watchmaking associations

The Hong Kong Watch & Clock Fair was held from 3 to 7 September 2024. The FH took part in the traditional meeting held during the event, the Hong Kong International Watch Forum, which is attended by the various world watchmaking federations. Delegates from the different associations shared how the sector was changing in their country or territory.

The CPHE organised its first videoconference for watchmaking associations from all over the world on 20 November 2024. Members of the CPHE and their counterparts in Korea, Japan, Hong Kong and the United Kingdom used the opportunity to address matters of general interest, particularly new legislation connected to watchmaking. The associations agreed to organise an annual virtual meeting to coordinate their actions and hold regular discussions on the issues facing the sector. The aim of this initiative is to strengthen international cooperation and improve anticipation of legislative changes affecting the industry.



FH centres abroad

FH Centre in Hong Kong

Although watch exports to Hong Kong – now the fourth-largest market for Swiss watchmaking – have slowed in the last decade, it retains a number of strategic advantages for the Greater Bay area. Its attractive tax regime and connectivity strengthen its role as an essential trading and business hub, despite the challenges created in 2024 by inflation, the strength of the Hong Kong dollar and changing patterns of consumption among Chinese tourists.

Against this background, the FH Centre resolutely and proactively pursued its activities to support the sector as a whole and the association's members in particular. It monitored market trends on a regular basis, keeping both head office in Bienne and members informed. It also continued to provide practical support to several brands' subsidiaries or local representatives in Hong Kong, China and elsewhere in the region. Support was provided in several forms: putting them in contact with commercial or industrial partners, looking for qualified personnel, or providing personalised support during visits to markets in South-East Asia.

The Hong Kong Centre also responded to numerous requests from FH members, especially in the legal field and in the fight against counterfeiting throughout the region. Among other things, it provided proactive support to several brands seeking to register with the customs authorities. In addition, it carried out several dozen investigations targeting local companies and filed objections to trademark registration applications, in both Hong Kong and other jurisdictions in the area.

FH Centre in Tokyo

On the Japanese market, the Tokyo centre provided support to FH members and their local agents, by supplying commercial information, establishing business contacts and providing linguistic assistance, among other things. It also responded to requests from the media and maintained a close relationship with local professional organisations and diplomatic representations, as well as responding to specific requests received on a daily basis from Japanese consumers or companies.

In addition, it provided regular assistance to consumers in the form of after-sales service, since certain brands no longer provide maintenance for older models. This is one of the reasons it also manages an after-sales service pool for a number of Swiss brands.

Study of consumer trends in watchmaking products

The FH Centre in Tokyo published the results of its two-yearly survey of consumer trends in watchmaking products in Japan. As in previous years, this 10th survey provided a genuine barometer of trends in the Japanese watchmaking market, especially concerning distribution channels, purchase motivations, types of watch and the pre-owned market. Based on surveys of 1,630 customers in the primary watchmaking market, the study also offered interesting insights into the influence of the pandemic, by ranking information by purchase date and age group. Two separate appendices detailed the purchasing behaviours of consumers aged 20 to 39 years, and those of people who buy watches priced at over 10 million yen (around 60,000 francs).

FH seminar

The eighth FH seminar took place in Tokyo in October, bringing together almost 80 representatives of Swiss watchmaking brands, retailers and specialist media.

The event provided an opportunity to highlight the key findings from the two-yearly study of consumer trends, which was conducted last year. Among the main topics addressed during the



Swiss watchmaking was regularly promoted in Japanese department stores.



The seminar organised for representatives of Swiss watchmaking brands, retailers and specialist media was a resounding success.

day, the sharp growth in the luxury goods sector in the domestic market, in the context of the increase in the number of new affluent consumers, also interested the audience. Other presentations on the relationship between Switzerland and Japan, particularly from a watchmaking perspective, completed the programme.

The participants thoroughly enjoyed the chance to meet under the aegis of the FH, and the opportunity to discuss market trends and how business was progressing.

Exhibitions

The FH Centre in Tokyo has been organising regular promotional activities in the Japanese market since 2016, particularly on the basis of the watch.swiss Japan exhibition, which was specially designed for this market. In 2024, the Centre marked the 160th anniversary of the bilateral relationship between Switzerland and Japan by celebrating a historic link that is closely connected to the Swiss watchmaking industry. The first Swiss trade delegation, led by Aimé Humbert – representing the Swiss watchmaking industry – visited the Land of the Rising Sun in 1863. This led to the conclusion, the following year, of a bilateral trade agreement and pledge of friendship between the two nations.

Physical promotional activities began in February with the inauguration of the 160th anniversary exhibition at the Swiss embassy in Tokyo, and continued throughout the year. The two exhibitions travelled, sometimes together, mainly to department stores and retailers to mark watchmaking fortnights. Thanks to close collaboration between the FH Centre in Japan and the retail sector, the Swiss watchmaking industry was promoted in several department stores: Hankyu in Osaka, Tobu and Mitsu-koshi in Tokyo and Takashimaya in Nagoya. Over the years, the latter have become solid partners, providing enthusiastic and professional support to the FH Centre's projects.

Swiss Watch Tour

The Swiss Watch Tour project became a reality in 2024 at the initiative of the FH Centre. Its aim is to offer Swiss watch enthusiasts and key customers a unique immersion into the world of Swiss watchmaking. A tailor-made offering that meets the needs of Japanese department stores that want to offer their top customers an exclusive experience, as a thank-you or for a fee. Among other things, this exceptional tour includes visits to manufacturers and workshops, participating in events, depending on the schedule, and museums dedicated to the rich heritage of watchmaking. The first customers are expected in spring 2025.





The Swiss watch

industry in 2024

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.

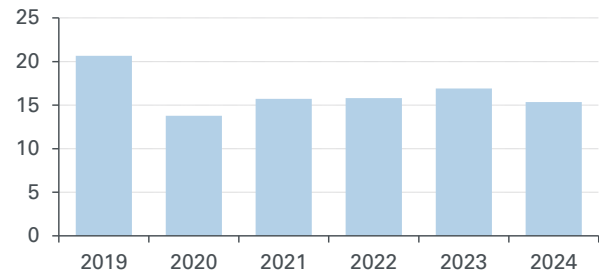


Watch industry statistics

General situation

2024 was a year of very marked contrasts for the Swiss watchmaking industry, both in terms of trends in its main markets and the performance of key actors in the sector. However, export statistics only partially reflect the significant disparities between the results of different watchmaking firms. Moreover, they cannot provide any direct information on subcontracting, which remains primarily focused on the Swiss market.

The contraction in demand, which was heavily influenced by China and the Special Administrative Region of Hong Kong, was reflected in a fall in orders for some suppliers operating as subcontractors. Jobs were maintained in 2024, as indicated in the survey by the Employers' Federation of the Swiss watch industry, thanks to measures such as reduced working hours.

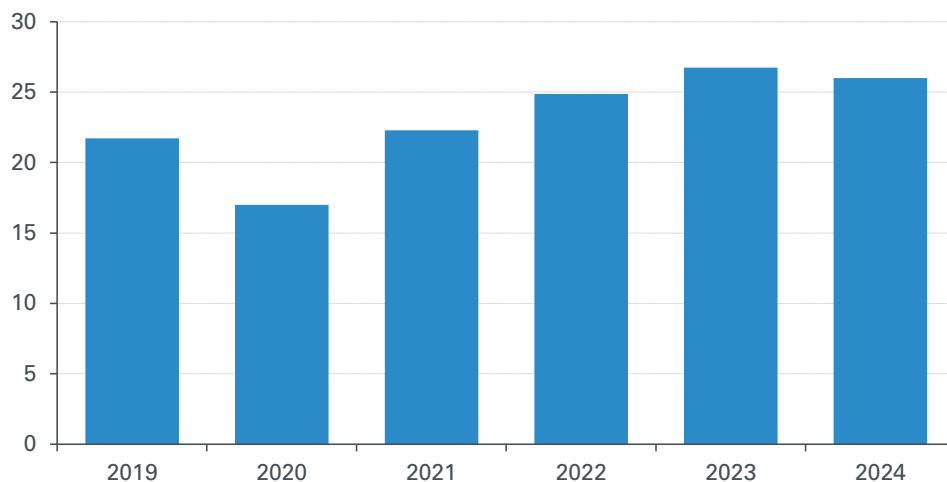


Exports of wristwatches (in million of units)

Watchmaking exports

On average, Swiss watchmaking exports recorded a decline of 2.8% compared with 2023, achieving a total of 26.0 billion francs. This trend was consistent throughout the year, without

any notable fluctuations. It follows three years of steady growth and suggests a current decline in demand for luxury personal items, particularly among so-called aspirational customers. It also illustrates heightened competition in the entry-level and mid-range segments.

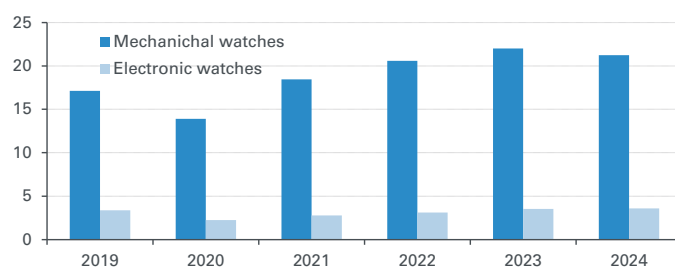


Swiss watch exports (in billion francs)

Wristwatch exports

Watches account for the majority of exports in the watchmaking sector. Their total value fell by 2.8% compared with 2023, to 24.8 billion francs. Following a bright spell in the previous year, the number of items declined by 9.4%, or 1.6 million fewer units. Volumes were at a historically low level, with 15.3 million watches exported.

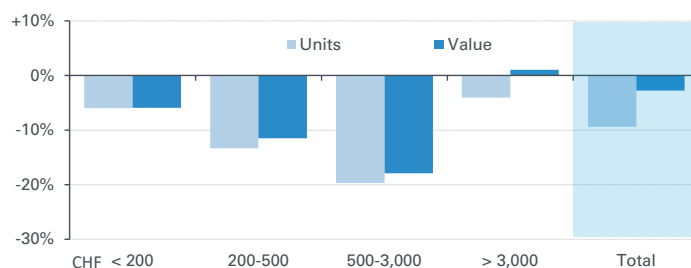
Only a small proportion of watches managed to perform well and contribute to improving the overall results. Conversely, many products suffered a significant decline, much more marked than the average of -2.8%.



Exports of wristwatches (in billion francs)

Exports by price range

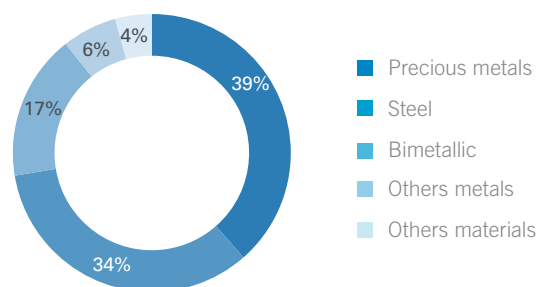
Watches with an export price below 3,000 francs recorded a decline in export turnover of 15.6%. The slight increase (+1.0%) in the higher price segment, despite accounting for more than 80% of the total value, was not sufficient to offset the downturn.



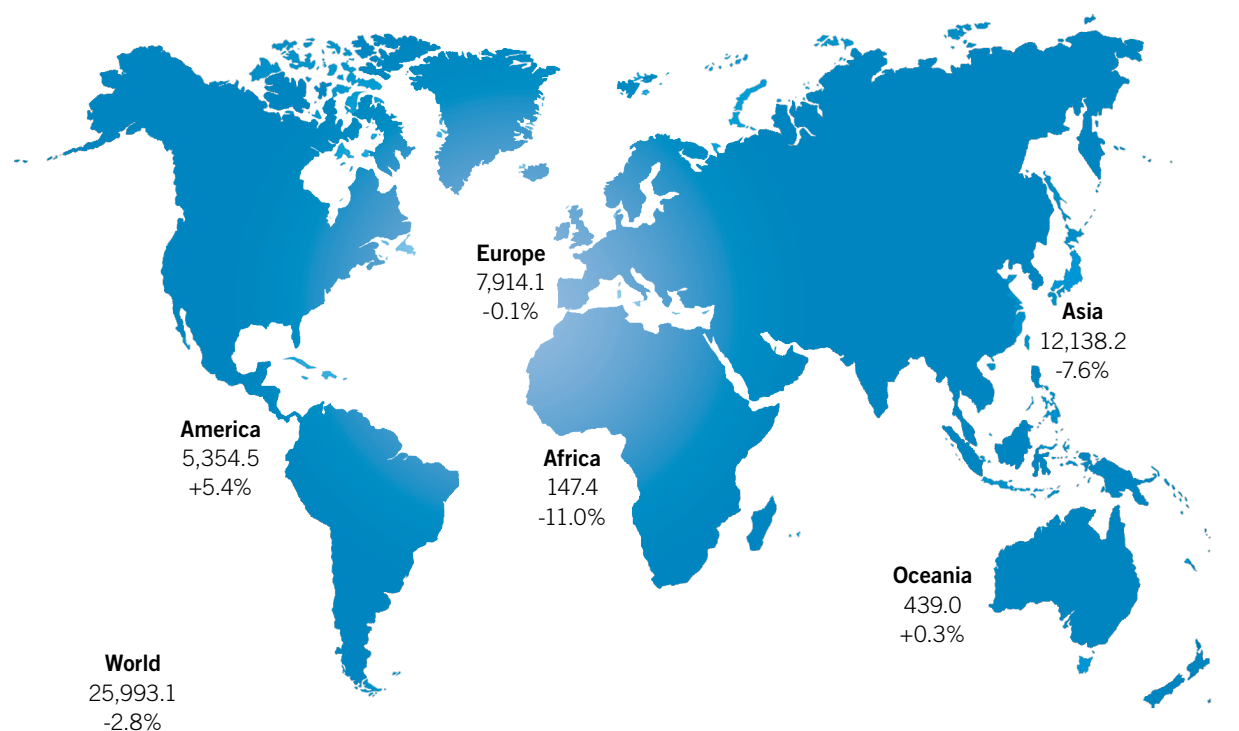
Exports by price segment (variation compared with 2023)

Exports by material

The negative result was primarily attributable to steel watches (-9.8% by value), while watches made from precious metals reversed the trend (+2.2%). However, the growth in this area was mainly due to a price effect, insofar as the number of items fell by 5.1% for this group of materials.



Watch exports (shares in value)



Total value of exports in 2024 in million francs, variation compared with 2023

Export markets

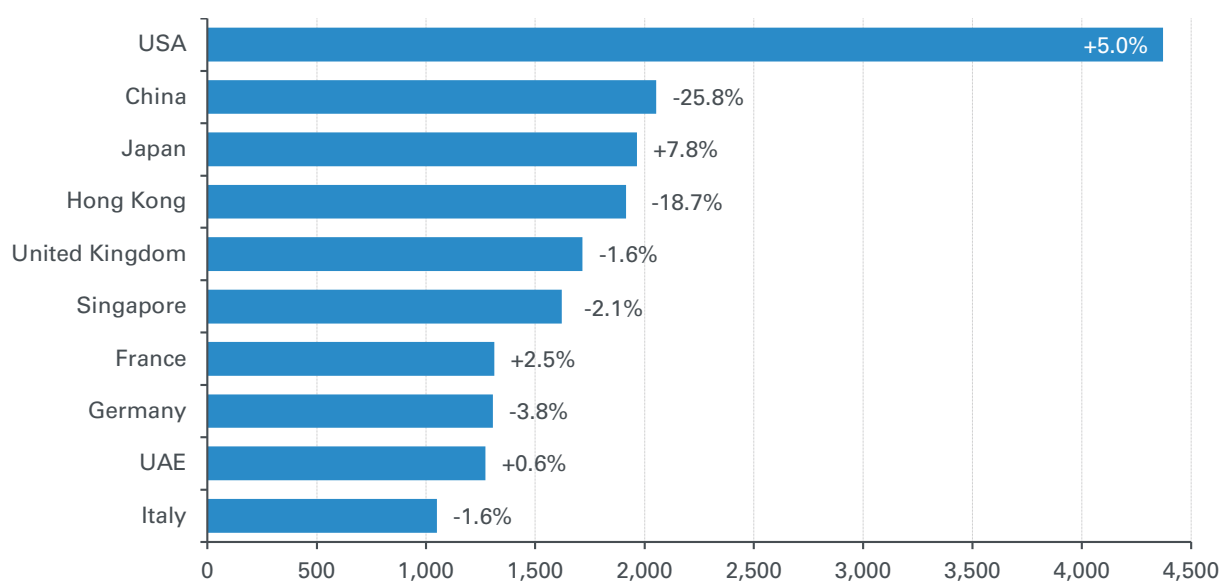
North and South America were the most dynamic market (+5.4%) and accounted for a fifth of Swiss watch exports in 2024. Performance in Asia fell by 7.6%, impacted by the significant downturn in China and the Special Administrative Region of Hong Kong. Europe (-0.1%), conversely, maintained its high level of 2023.

The United States (+5.0% compared with 2023) again strengthened its position as the sector's leading market, after four years of steady growth. The outlook there remains favourable.

In Asia, China (-25.8%) saw a stronger contraction than during the Covid pandemic, taking it close to its results in 2019. Similarly, the Special Administrative Region of Hong Kong

(-18.7%) suffered from lacklustre demand and lost its third place in the world ranking. Japan (+7.8%), buoyed mainly by tourist purchases, rose to third position and was one of the most dynamic markets for Swiss watch exports. Singapore (-2.1%) was in line with the global average, while South Korea (+8.7%) benefited from a favourable base effect to offset the decline seen in 2023.

The contrasts in Europe were less marked, with results in the United Kingdom (-1.6%), France (+2.5%), Germany (-3.8%) and Italy (-1.6%) falling within a narrower range.



Main export markets in 2024 in million francs, variation compared with 2023





Structure of

the FH in 2024

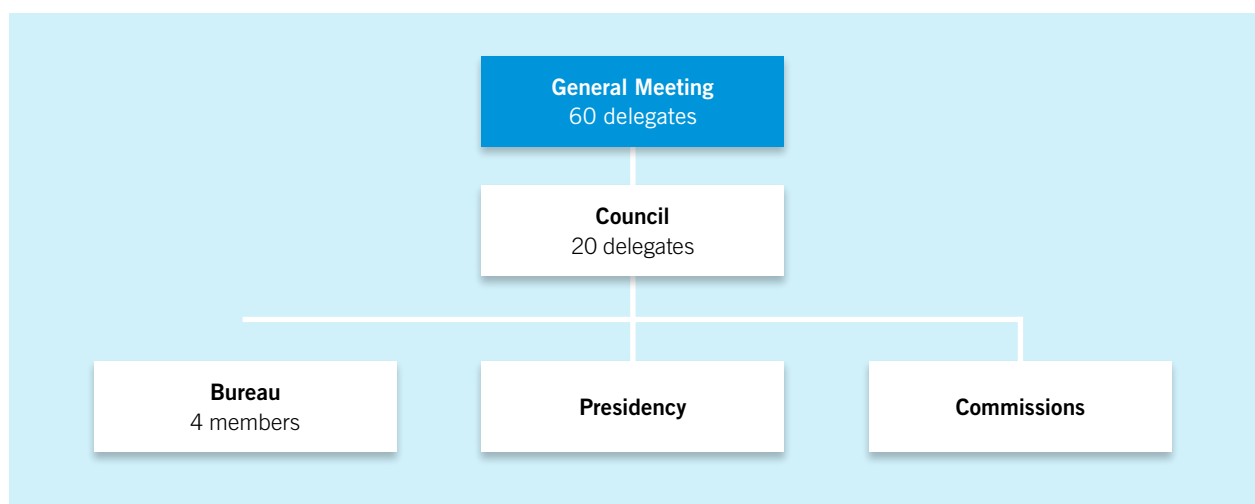
An organisation representative of the Swiss watch industry as a whole, the FH has the following main tasks and objectives: helping to defend and develop the sector, establishing a permanent link between its members in order to promote their shared interests, representing the Swiss watch industry in its 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 2024

On 31st December 2024, the FH included 432 companies, associations and institutions (approximately 90% of the Swiss watch industry manufacturers), including 164 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 2024, the FH General Meeting was composed of the following delegates (some with more than one vote):

Grégory Affolter

Affolter Group SA

Karlheinz Baumann

Richemont International SA

Lorenz Bärlocher

IWC Schaffhausen,
Branch of Richemont International SA

Elie Bernheim

Raymond Weil SA

Jérôme Biard

Roventa-Henex SA

Guillaume Boilot

TAG Heuer, Branch of
LVMH Swiss Manufactures SA

Antony Boiteux

Werthanor SA

Jean-Sébastien Bolzli

Aéro Watch SA

Pascal Bratschi

Manufacture des Montres Rolex SA

Yves Bugmann

(FH President)

Pierre-André Bühler

ETA SA Manufacture Horlogère Suisse

Jérôme Cavadini

Officine Panerai, Branch of
Richemont International SA

Nicolas Clerc

Tissot SA

Pascal Dubois

Dubois Dépraz SA

Joris Engisch

Jean Singer & Cie SA

Christian Feuvrier

Nivarox-FAR SA

Arianna Frésard

Victorinox Swiss Army SA

Burkhard Grund

Richemont International SA

David Guenin

Gimmel Rouages SA

Philippe Gurtler

Rolex SA

Emmanuel Henry

Manufacture des Montres Rolex SA

Thibaut Jullien

La Montre Hermès SA

Thierry Junod

Métalem SA

Lars Kästle

Breitling SA

Thierry Kenel

The Swatch Group SA
(FH Vice President)

Sébastien Lang

Louis Lang SA

Aurélien Le Bigot

LVMH Swiss Manufactures SA

Giuseppe Maesano

Universo SA/Rubattel et Weyermann SA

Pierre-André Meylan

Piguet Frères SA

Jérôme Monnat

Société des montres West End SA

Stéphane Mougin

Gucci Swiss Timepieces SA

Corine Neuenschwander

Neuenschwander Composants
Horlogers SA

Marianne Pandiscia

Multitime Quartz SA

Flavio Pellegrini

MGI Luxury Group Sàrl

Aubin Robert-Prince

Robert Laminage SA

Guy Sandoz

Joray & Wyss SA

Alain Sierro

Fraporlux Swiss SA

David Storrer

Coloral SA

Manuela Surdez

Goldec SA

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 2024 the Board was composed of the following members:

Raynald Aeschlimann

Omega SA

Karlheinz Baumann

Richemont International SA

Lorenz Bärlocher

IWC Schaffhausen, Branch of Richemont International SA

Jérôme Biard

Roventa-Henex SA

Guillaume Boilot

TAG Heuer, Branch of LVMH Swiss Manufactures SA

Matthias Breschan

Compagnie des Montres Longines, Francillon SA

Yves Bugmann

FH

Pierre-André Bühler

ETA SA Manufacture Horlogère Suisse

Christian Feuvrier

Nivarox-FAR SA

Arianna Frésard

Victorinox Swiss Army SA

Burkhard Grund

Richemont International SA

Philippe Gurtler

Rolex SA

Emmanuel Henry

Manufacture des Montres Rolex SA

Lars Kästle

Breitling SA

Thierry Kenel

The Swatch Group SA

Sébastien Lang

Louis Lang SA

Alain Marietta

Métalem SA

Aubin Robert-Prince

Robert Laminage SA

Alain Sierro

Fraporlux Swiss SA

The Bureau and the Commissions

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

At the end of 2024, its composition was as follows:

Yves Bugmann

FH

Carole Décosterd

Rolex SA

Thierry Kenel

The Swatch Group SA

Alain Marietta

Métalem 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

Pascal Bratschi

Legislative monitoring Commission

Olivier Blanc

Legal Affairs Commission

Yves Bugmann

Standardisation Committee

Michael Bourquin

Anticounterfeiting Group

Yves Bugmann



The Divisions and the Departments

At 31 December 2024, the FH employed 35 full-time equivalent staff in Bienne (34 in 2023). Its organisation chart is as follows:



The network of partners

The FH would be nothing in the globalised world 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 et détaillants en horlogerie, marché suisse (AMS)
- ♦ 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)
- ♦ Associazione Ticinese Industria Orologiera-ATIO
- ♦ Assorologi (Italy)
- ♦ BV Schmuck + Uhren (Germany)
- ♦ Centre suisse d'électronique et de microtechnique (CSEM)
- ♦ China Horologe Association
- ♦ Comité permanent de l'horlogerie européenne (CPHE)
- ♦ Contrôle officiel suisse des chronomètres (COSC)
- ♦ Convention patronale de l'industrie horlogère suisse (CP)
- ♦ Fédération de l'horlogerie (France)
- ♦ Fédération romande des consommateurs (FRC)
- ♦ Fondation de la Haute Horlogerie
- ♦ Fondation Qualité Fleurier
- ♦ Fondation WOSTEP
- ♦ France Horlogerie Industries du Temps et des microtechniques
- ♦ 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 Reljería
- ♦ Korea Watch and Clock Industry Cooperative
- ♦ SCBT - Swiss Center for Business and Technology Intelligence
- ♦ 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 Unternehmen der Uhren- und Mikrotechnik (VdU)

Federal administration

- ♦ Bureau central du contrôle des métaux précieux
- ♦ Office fédéral de la douane et de la sécurité des frontières (OFDF)
- ♦ 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
- ♦ Swiss Federal Institute of Intellectual Property (IPI)



Chambers of commerce

- ♦ Alliance of Swiss Chambers of Commerce
- ♦ Arab-Swiss Chamber of Commerce and Industry (CASCI)
- ♦ International Chamber of Commerce international (ICC)
- ♦ Swiss-Asian Chamber of Commerce
- ♦ Swiss Business Council Abu Dhabi
- ♦ Swiss Business Council Dubai
- ♦ Swiss Chamber of Commerce in Japan
- ♦ Swiss-Chinese Chamber of Commerce
- ♦ Swiss-Indian Chamber of Commerce

Economic organisations

- ♦ BUSINESSEUROPE
- ♦ economiesuisse
- ♦ Switzerland Global Enterprise

Technical organisations

- ♦ CIBJO – The World Jewellery Confederation
- ♦ Comité FRANCECLAT
- ♦ Ecole d'ingénieurs ARC
- ♦ International Electrical Committee (IEC)
- ♦ Tokyo Watch Technicum

Customs and police organisations

- ♦ Agenzia delle Dogane, Roma
- ♦ City of London Police
- ♦ 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
- ♦ Police cantonale de Neuchâtel
- ♦ Police cantonale du Jura
- ♦ U.S. Customs and Border Protection
- ♦ World Customs Organization

Organisations involved in standardisation

- ♦ Association française de normalisation (AFNOR)
- ♦ 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)
- ♦ Mongolian Agency for Standardization and Metrology (MASM)
- ♦ National Body for Standards and Metrology (ARMSTANDARD)
- ♦ Standardization Administration of China (SAC)
- ♦ Swiss Association for Standardization (SNV)

Anticounterfeiting organisations

- ♦ Anti-Counterfeiting Group (ACG)
- ♦ Brandowners Protection Group (Gulf Cooperation Council)
- ♦ Ecole des Sciences Criminelles, UNIL
- ♦ INDICAM - Associazione italiana per la Lotta alla Contraffazione
- ♦ STOP PIRACY – Plate-forme suisse de lutte contre la contrefaçon et la piraterie
- ♦ Swissness Enforcement
- ♦ 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)



