



Press release

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Swiss watch industry exports in 2018

Strong growth, although the trend is slowing

The outturn for watch industry exports in 2018 was in line with forecasts. The steady pace of growth early in the year saw a decline from the summer onwards, due to a less favourable base effect, but remained positive overall. Some signs of a slowdown in China, in particular, played a role in this trend while, over the same period, the United States saw significantly faster growth. Macroeconomic, commercial and political uncertainties influenced developments in the sector, which also had to deal with competition from other luxury goods and connected objects. 2018 was also marked by significant changes in distribution.

The value of Swiss watch exports over the 12 months was CHF 21.2 billion, an increase of 6.3% over 2017. Growth was particularly strong during the first half of the year (+10.6%), but slowed to +2.3% in the second half.

The signs of stagnation, economic indicators and continuing uncertainties at many levels suggest that the right approach to 2019 is cautious optimism. Watch industry exports are expected to continue to grow, but at a more modest level.

Products

Wristwatches accounted for 95% of total watch industry exports, by value, reaching CHF 19.9 billion, an increase of 6.1%. Volumes failed to keep pace, with the sector recording a decline of 2.3%, to 23.7 million items. This was 570,000 fewer timepieces than in 2017.

The reduction in volume was due to quartz watches, with the number of items declining by 5.0%, despite an increase in value (+4.2%). Mechanical timepieces, conversely, increased by both value (+6.6%) and volume (+3.9%).

Watches priced below CHF 500 (export price) fell back, particularly in the number of items exported (-5.0%). Above CHF 500, results were similar and very positive: +7.5% by value and +8.1% by volume.

The principal materials – precious metals, steel and bimetal – all saw significant increases in value. Steel, used for over half of all watches, also saw an increase in volume (+4.3%). Conversely, the number of items in the *Other materials* category declined by 15.2%, while the *Other metals* group fell by 12.7%.

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



Markets

During the year 2018, the fifteen main markets showed the following trend (total value in million francs and % variation by comparison with 2017):

1.	Hong Kong	3,001.4	+19.1%
2.	USA	2,216.4	+8.2%
3.	China	1,717.2	+11.7%
4.	Japan	1,341.7	+9.1%
5.	United Kingdom	1,233.1	-4.4%
6.	Germany	1,124.1	+4.3%
7.	Singapore	1,106.7	+0.7%
8.	France	1,070.9	+9.1%
9.	Italy	1,011.8	-14.3%
10.	UAE	910.4	+1.7%
11.	South Korea	878.5	+25.7%
12.	Spain	396.5	-11.4%
13.	Saudi Arabia	344.2	+5.9%
14.	Taiwan	306.1	+0.8%
15.	Thailand	279.0	+10.2%

The growth in Swiss watch industry exports was led by the Asian market, while the increase in America was offset by the downturn observed in Europe. Asia represented 53% of the sector's turnover and grew by 12.2%. America (+7.2%), led by the United States, also contributed significantly to overall growth, accounting for 14% of exports of Swiss watches. Europe (-2.9%) remained an important market, with a 31% share, but its situation was less positive in 2018.

Most Asian markets grew, more or less strongly. Hong Kong (+19.1%) was a star performer, with very strong growth throughout the year. China ended the year on slightly lower growth (+11.7%), with a gradual slowdown from January onwards. Japan (+9.1%) picked up significantly, following the reductions in recent years, and peaked in the summer. Singapore (+0.7%) and Taiwan (+0.8%) were stable, while South Korea (+25.7%) recovered strongly.

The United States (+8.2%) returned to growth after three years' decline, with the pace of growth accelerating throughout 2018.

Last year's declining markets were all in Europe. The downturn in the United Kingdom (-4.4%) has changed very little since the spring. The Southern European markets – Italy (-14.3%) and Spain (-11.4%) – were particularly badly affected. By contrast, Germany (+4.3%) experienced steady growth. France (+9.1%) benefited from a strong first six months, clearly buoyed by a significant increase in re-exports, while the second six months were practically flat.

Contact:

Jean-Daniel Pasche, President
jean-daniel.pasche@fhs.swiss
032 328 08 28