

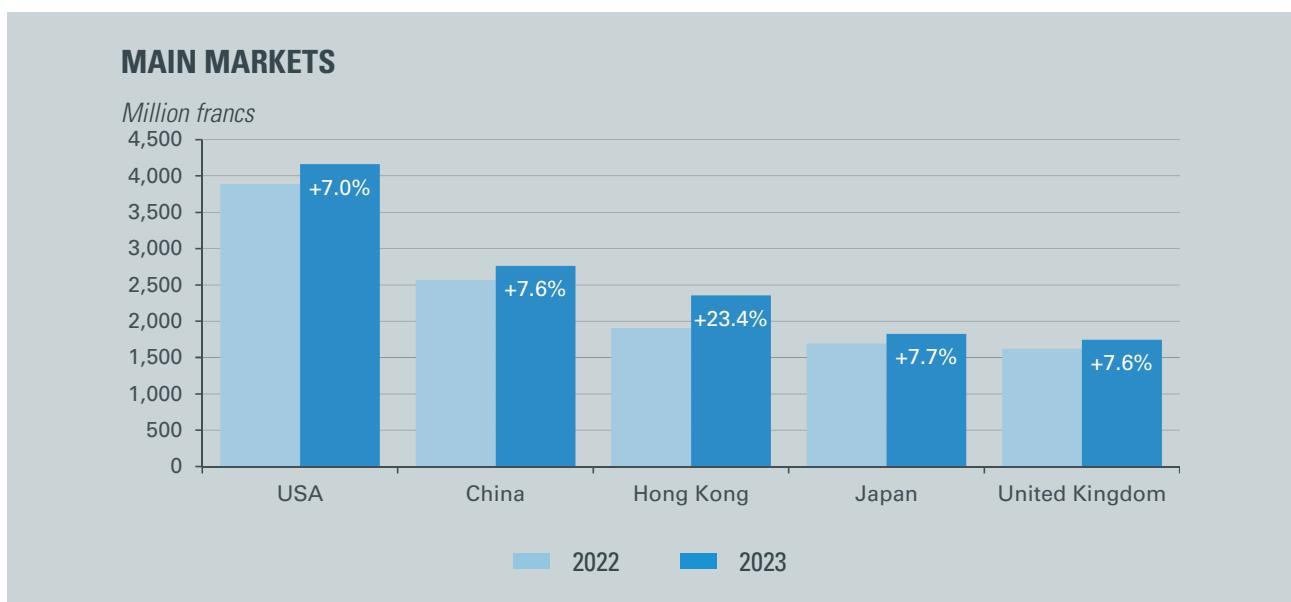


WORLD WATCHMAKING INDUSTRY IN 2023

SWISS WATCH EXPORTS



Swiss watchmaking continued to grow sharply in 2023, following strong performance the previous year. Watch exports achieved record value, while the corresponding number of watches also increased significantly. Swiss watch exports for the year as a whole exceeded their 2022 result by 7.6%, increasing to a total value of 26.7 billion francs. Growth in the first half of the year was 11.8% before slowing, as expected, to 3.6% in the second six months.

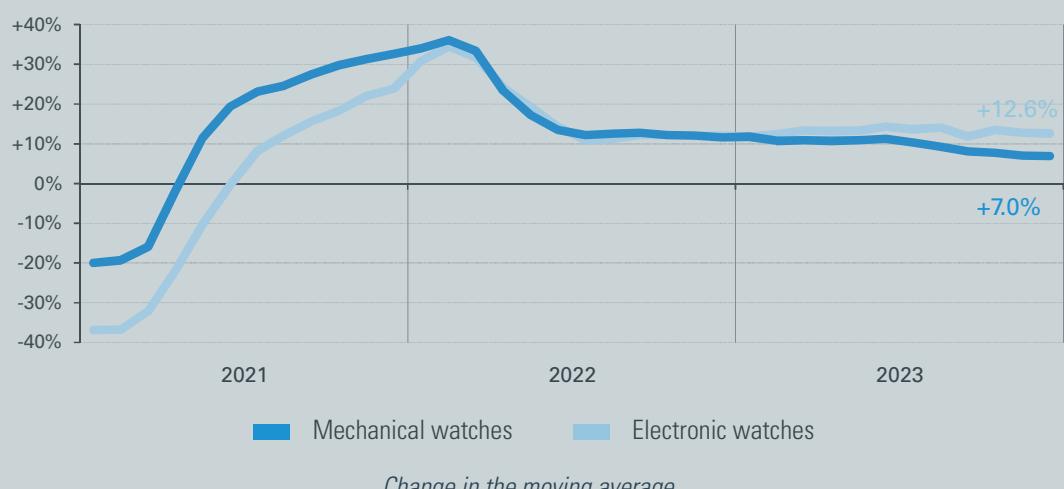


SWISS EXPORTS OF WATCHES

The number of wristwatches exported grew by 7.2% compared with 2022, to 16.9 million items. This means that an additional 1.1 million watches were shipped abroad in 2023, confirming the recovery already observed a year before. As a result, the export value of watches increased by 7.7%, to 25.5 billion francs.



TYPES OF WATCHES



Export prices

All the values stated in the watch industry statistics are export prices and not the sale price to the final consumer (retail price).

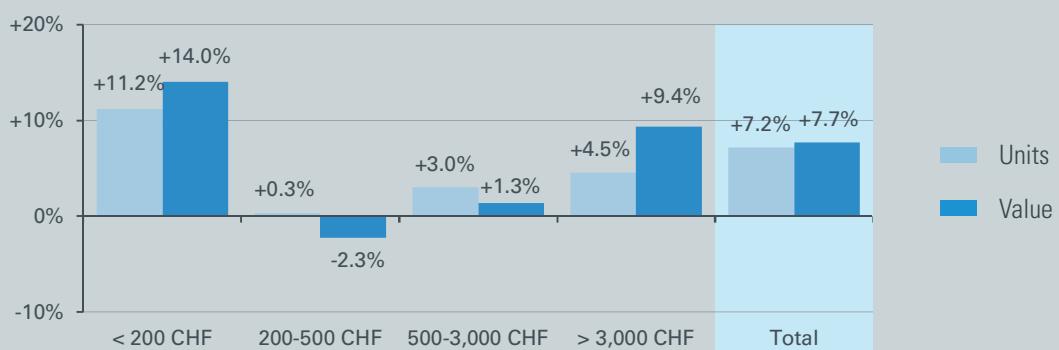
WATCHES BY PRICE RANGE

With an increase of 940,000 units (+11.2%), watches with an export price of 200 francs represented 83% of the increase in the total number of items. At the other end of the price scale, watches priced at over 3,000 francs (+9.4% by value) generated 92% of the growth. Between the two, the 200-3,000 francs segment varied only slightly compared with 2022, with an increase of +0.9% by value and +1.9% number of items.

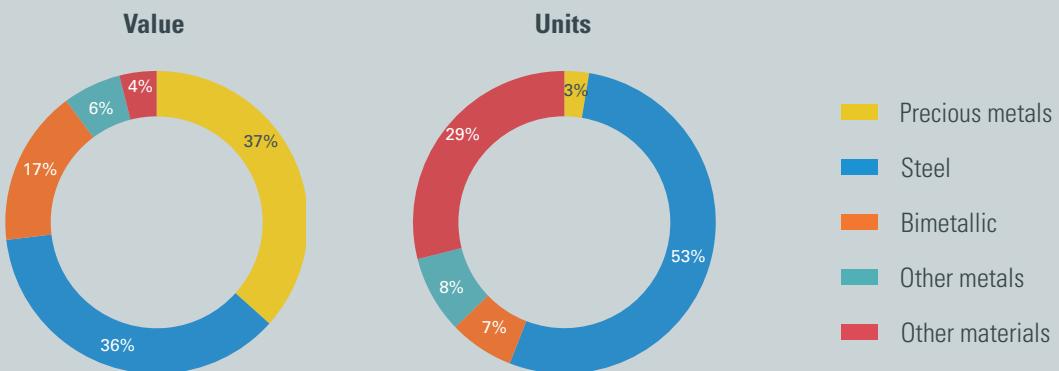
TREND OF THE DIFFERENT MATERIALS

Steel watches, representing more than one item in two, stagnated in 2023, by both volume (+0.4%) and value (+1.4%). Export turnover was mainly driven by watches made from precious metals (+9.2%) and bimetallic watches (+11.2%). The increase in volumes is mainly due to the Other materials category (+28.1%), which saw exports rise by 1.1 million items compared with 2022.

WATCHES BY PRICE RANGE



WATCHES BY MATERIALS



MAIN MARKETS

North and South America (+6.7%), driven mainly by the United States, absorbed 19% of Swiss watch exports in 2023. Europe (+6.8%) followed the same trend, representing a 30% share. Asia (+8.2%) accounted for almost half (49%) of Swiss watch exports.

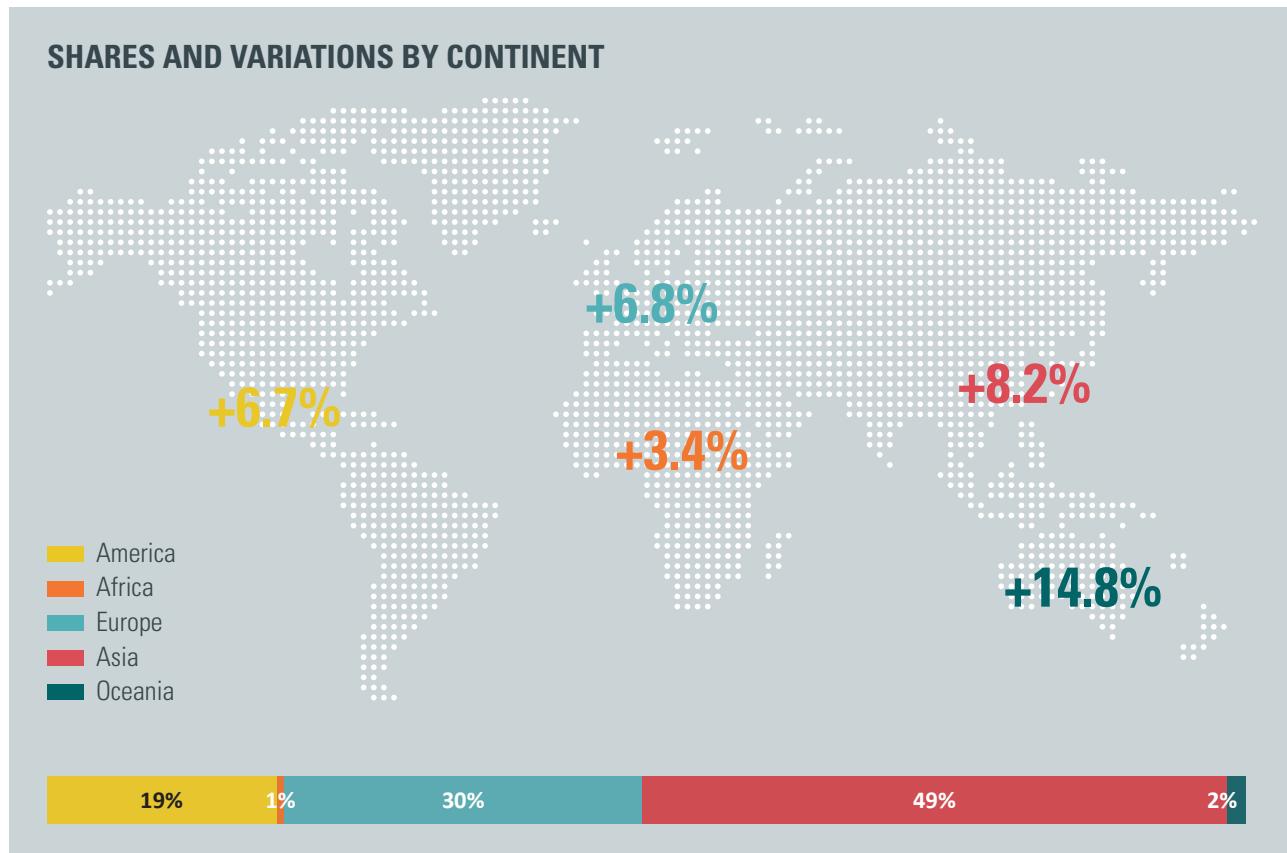
Having grown by 27.1% on average in 2021 and 2022, watch exports to the United States (+7.0%) remained very dynamic last year.

In Asia, China (+7.6%) posted growth identical to the global average after the market disruptions in 2022, but has still not returned to its pre-crisis level (-6.9% compared with 2021). Hong Kong (+23.4%) achieved a strong recovery following the lifting of health

restrictions, which lasted three years and caused the market to fall to a historically low level. Japan (+7.7%) performed in line with the average, while Singapore (+2.5%) remained below it because of an unfavourable base effect. In the Middle East (+6.0%), the United Arab Emirates (+12.2%) outperformed, while Saudi Arabia (+2.6%) saw more moderate growth. The only shadow on the horizon, South Korea (-7.3%) suffered the full effect of competition from the duty-free market on the Chinese island of Hainan.

Performance in the main European markets was more uniform, at +7.6% for the United Kingdom, +5.1% for Germany, +8.1% for France, +9.3% for Italy and +5.7% for Spain.

SHARES AND VARIATIONS BY CONTINENT



WORLD WATCH EXPORTS

The figures shown here illustrate watch exports and imports from the world's main players, excluding connected watches. These are not global watch production data. The results for exports and imports are higher, since a single product can be re-exported and is therefore counted twice. This is particularly true in Hong Kong, which re-exports most of the watches that enter its territory. Nonetheless, these data are an accurate reflection of the key players involved and therefore highlight global trends in the sector.

Swiss watch exports rose to the equivalent of 29.8 billion dollars in 2023, an increase of 7.6% in local currency compared with the previous year.

Although the watch market in Hong Kong recovered, exports recorded by the special administrative region – which are comparable to goods in transit – remained flat compared with 2022 (-0.5% excluding

exchange rate fluctuations). These amounted to 7.0 billion dollars and were mainly destined for China, the United States, Switzerland, Macao and Japan.

Mainland China recorded a growth in watch exports (+6.6%) comparable to Switzerland, at 4.8 billion dollars. Transit via Hong Kong again fell sharply, in favour of more direct shipments to Singapore (+24.5%), Australia (+60.5%) and Malaysia (+26.2%), among others. The main established markets of the United States, Japan and Switzerland all declined.

Watch exports or re-exports from France increased at the same pace in 2023 (+8.6%).

Following a sharp rise in 2022, Singapore consolidated its role as a redistribution platform, increasing by +1.0% in local currency.

MAIN EXPORTING COUNTRIES AND TERRITORIES



WORLD WRISTWATCH EXPORTS

As the main global exporter of watches by number of items, mainland China shipped 534.4 million items abroad in 2023. This represents a 3.4% increase compared with 2022. The average price of these watches remained stable, at 4 dollars (export price).

Switzerland saw a 7.2% increase in volumes over the same period, to reach a total of 16.9 million watches exported. Their average price was 1,679 dollars.

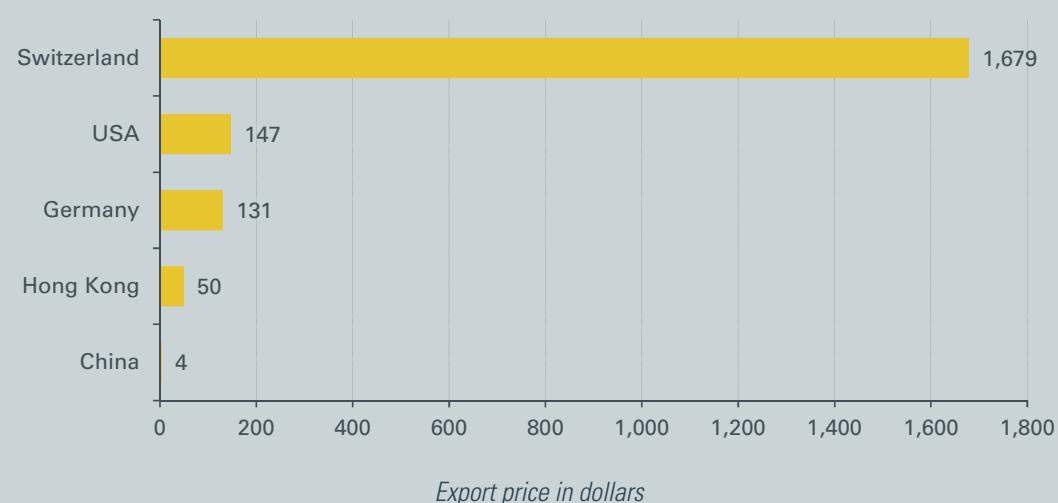
Germany faced a sharp contraction (-23.0%), to 12.9 million watches exported, with an average value of 131 dollars. This development followed a significant increase in 2022 (+17.2%) and brought its results back close to their 2020 level.

Conversely, the United States saw its exports and re-exports grow by 13.6% by volume, for a total of 10.9 million items.

MAIN WRISTWATCH EXPORTING COUNTRIES AND TERRITORIES

	Million units	Variation
China	534.4	+3.4%
Hong Kong	103.5	-24.6%
Switzerland	16.9	+7.2%
Germany	12.9	-23.0%
United States	10.9	+13.6%

AVERAGE PRICE OF EXPORTED WATCHES



GLOBAL WATCH IMPORTS

Excluding Hong Kong, whose 8.4 billion dollars of watch imports were largely represented by goods in transit, the United States remained the world's largest market for watches in 2023. It imported the equivalent of 7.0 billion dollars, a 4.8% increase compared with the previous year.

China saw a steady recovery in watch imports, following the significant fall seen due to the health measures imposed in 2022. Imports of watchmaking products increased by 14.3% to 4.6 billion dollars, while remaining below their pre-crisis level.

Swiss watch imports fell slightly (-1.1% excluding exchange rate fluctuations), to 3.9 billion dollars.

Finished products (watches, alarm clocks, small clocks and large clocks) represented 56% of these imports and saw a decline in total value of 5.7%. Overall, supplies of components (mainly watch cases and bracelets) increased by 5.4%, in line with the increase in production and exports.

Following very strong growth in 2022 (+30.4%), French watch imports continued to increase in 2023 (+8.5% in local currency), to 3.7 billion dollars. Some of these products, however, continued on to other countries.

MAIN IMPORTING COUNTRIES AND TERRITORIES



Values and variations

Results of watch industry exports and imports at global level are expressed here in dollars to facilitate comparison between the main players. On the other hand, the variation rates are calculated using data stated in local currencies in order to eliminate foreign exchange effects.