



# THE SWISS AND WORLD WATCHMAKING INDUSTRIES IN 2019

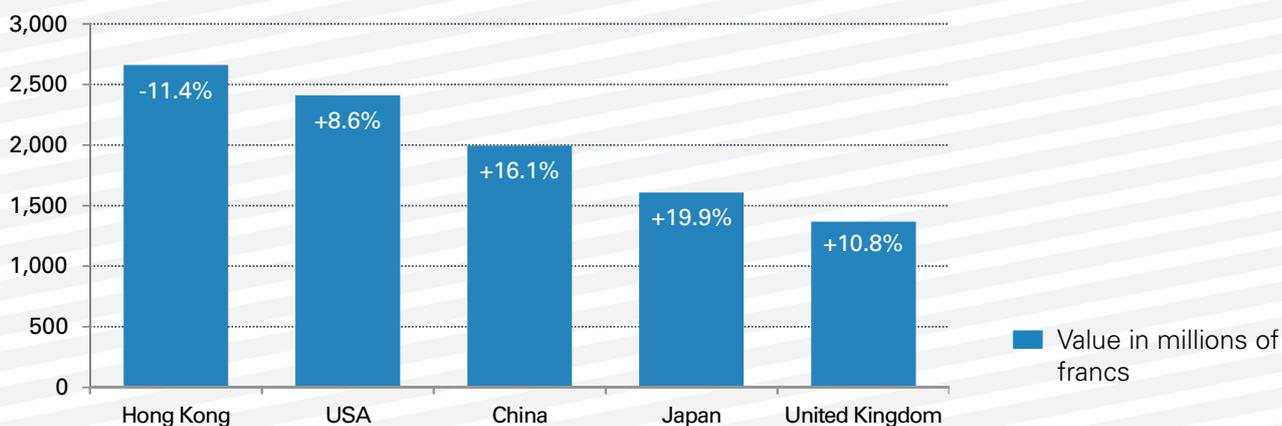
## SWISS WATCH INDUSTRY

### SWISS WATCH EXPORTS

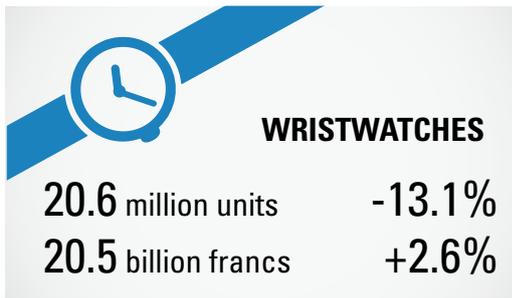


The Swiss watch industry saw exports exceed the already high level achieved in 2018, in line with the forecasts produced a year ago, in a complex and fast-changing environment. They were also faced with increased competition, both in the higher value segment and at entry level, where volumes were particularly hard hit. Ultimately, Swiss watch exports were worth 21.7 billion Swiss francs in 2019, an increase of 2.4% compared with 2018. Growth in the second half of the year (+3.2%) was twice as strong as in the first six months of the year (+1.5%), however the rate of growth slowed in the fourth quarter (+1.1%), as a result of very poor performance in Hong Kong.

### MAIN MARKETS

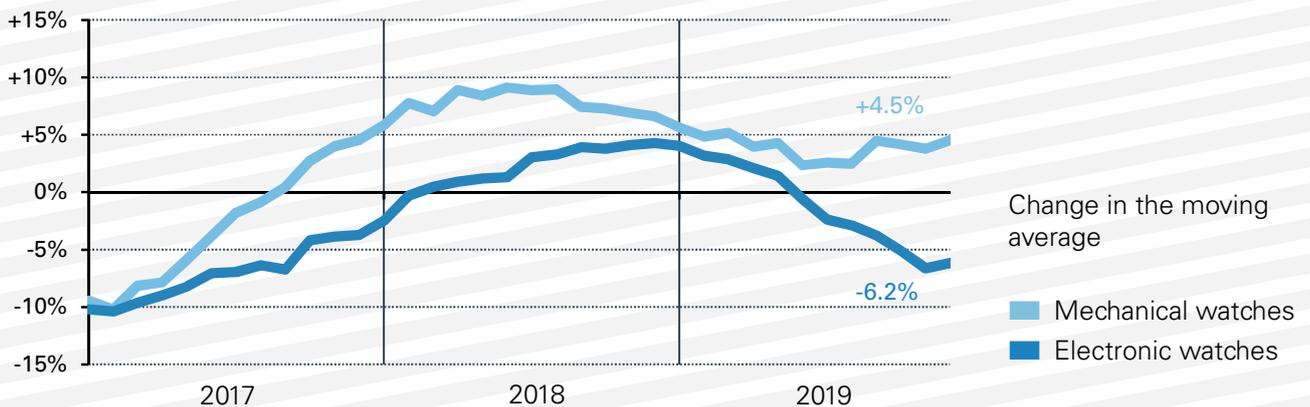


**SWISS EXPORTS OF WATCHES**



Wristwatches set the tone for 2019, representing almost 95% of total exports by value. Exports passed the 20 billion francs threshold (to 20.5 billion), an increase of 2.6% compared with 2018. Conversely, the number of items declined by 13.1%. The downward trend seen for many years worsened during the summer of 2018 and had a marked impact on every month in 2019, without exception. Switzerland shipped 20.6 million watches to other countries, 3.1 million fewer than in the previous year. This historically low level, below even the crisis of 2009, is comparable to the volume exported during the dip in the early 1980s.

**TYPES OF WATCHES**



**Export prices**

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

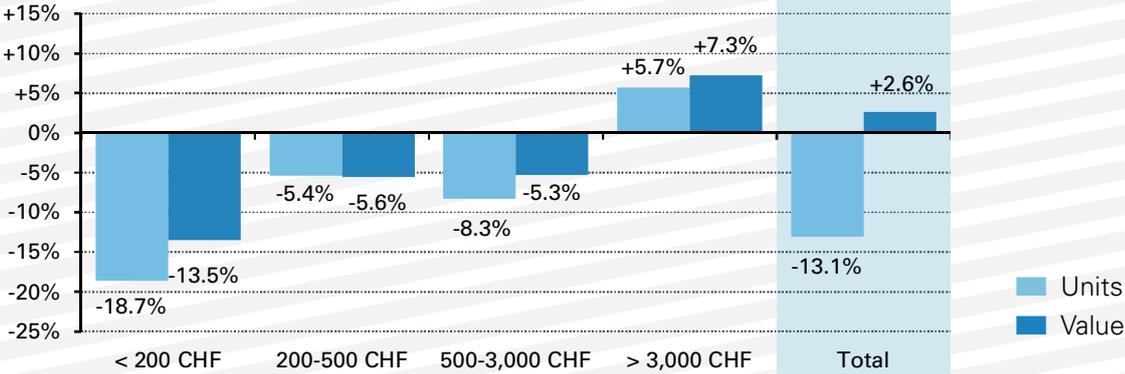
**Watches by price range**

A line can be drawn at 3,000 francs (export price), below which results were down both by value (-6.5%) and number of items (-14.4%). Over 85% of the fall in volumes was attributable to watches priced below 200 francs. At the other end of the scale, watches priced at over 3,000 francs grew strongly.

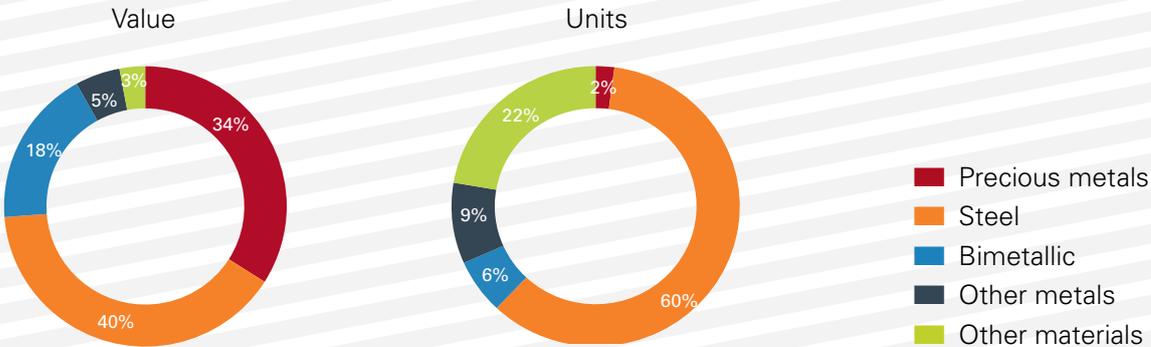
**Trend of the different materials**

Most of the main groups of materials saw an increase in export turnover in 2019, with steel (-1.9%) the notable exception. Growth has been driven by precious metal and bimetal watches. In volume terms, the main categories (*Steel*, *Other materials* and *Other metals*) recorded double-digit declines.

**WATCHES BY PRICE RANGE**



**WATCHES BY MATERIALS**



**Main markets**

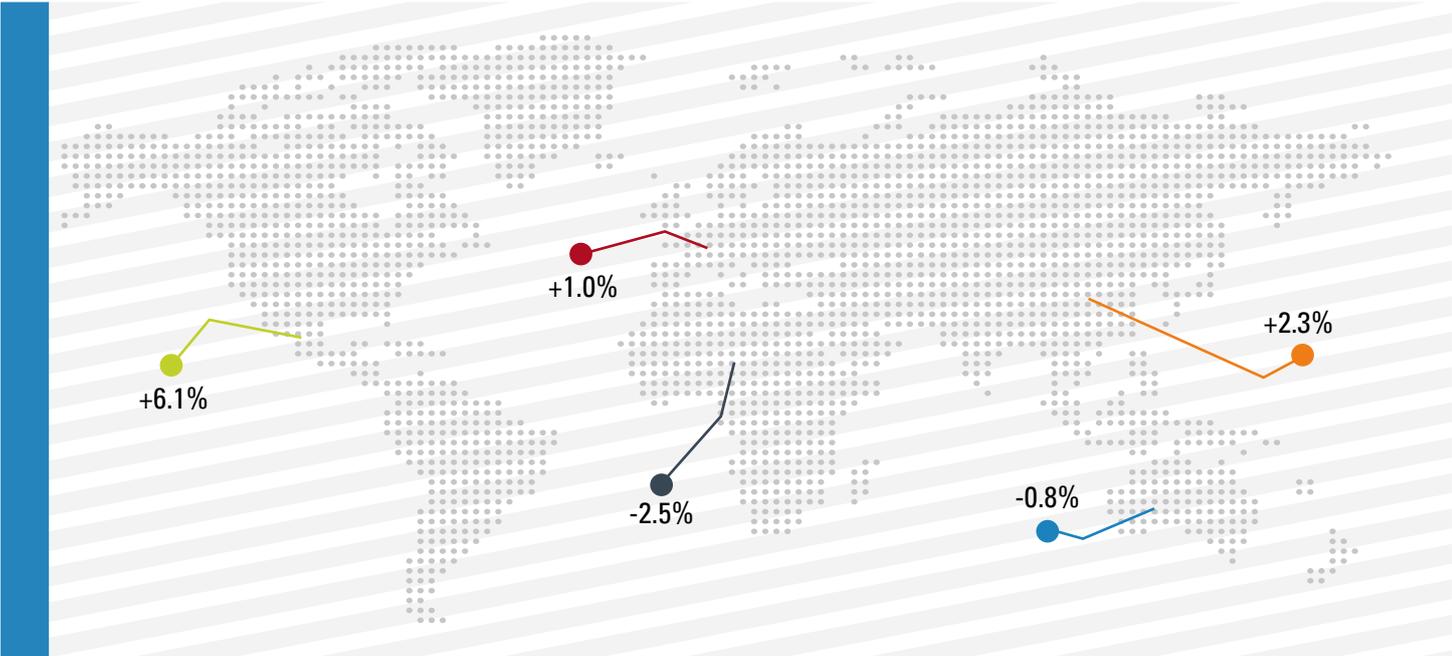
Asia’s share of Swiss watch exports decreased slightly, because of the negative impact of Hong Kong. Nonetheless, Asia still accounted for more than half (53%) of the export turnover generated by Swiss watches in 2019. Europe represented 30% and America 15%.

Overall, watch exports to Asia increased by 2.3% compared with 2018. Not all the main markets were close to the average, however. Hong Kong was heavily penalised by the protests that have been taking place there since June, finishing the year with a fall of -11.4% (-25.9% during the fourth quarter). Conversely, China regularly increased its pace of growth, ending on +16.1%, while exports to Japan grew by +19.9%. Singapore (+14.6%) was

the third market to achieve strong growth, thanks to an excellent second half. Growth in South Korea (+4.9%) was more moderate. In the Middle East, exports increased to the United Arab Emirates (+2.4%) but declined in Saudi Arabia (-6.4%).

The lowest level of growth was in Europe (+1.0%), driven mainly by the United Kingdom. Germany (+0.2%) and France (+0.2%) stagnated, while Italy (-4.2%), Spain (-1.1%) and the Netherlands (-3.0%) fell back slightly.

America (+6.1%) was the most dynamic region, thanks to the United States (+8.6%), which alone absorbed three quarters of watch exports to the continent.



## WORLD WATCH INDUSTRY

### World watch exports

The figures quoted here illustrate watch exports and imports by the main countries concerned. They do not represent data for world watch production. While this may be estimated at around 1.2 billion timepieces, the export and import figures are in fact higher because a product may be re-exported and therefore stated twice. However, this data does clearly reflect the forces involved and highlights the global trends of the branch.

Performance varied across the world's main regions for watch production and exports in 2019.

Switzerland continued to rank top by value, at 21.8 billion US dollars. It recorded growth of 2.4% in local currency (excluding the impact of exchange rates) compared with 2018.

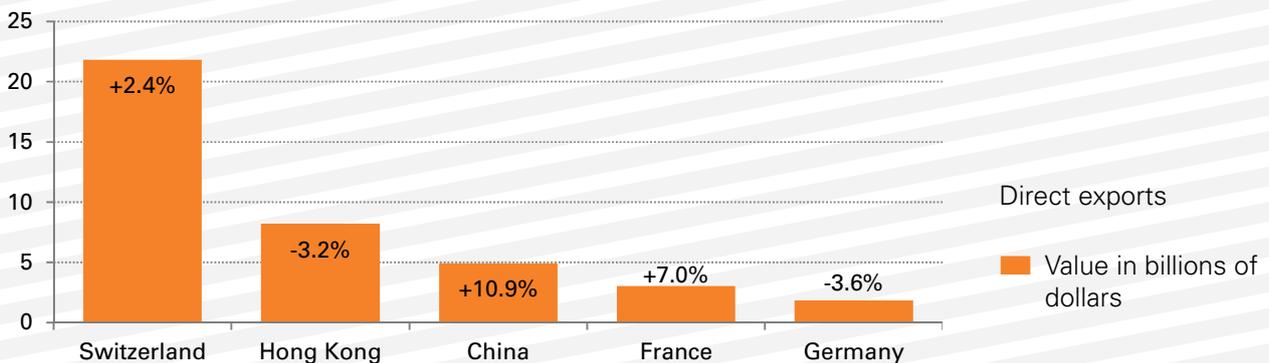
The increase in watch exports and re-exports from Hong Kong in 2018 was short-lived; the

special administrative region posted a fall of 3.2% in local currency in 2019, to 8.2 billion dollars. The main destinations remained China, the United States and Switzerland, followed by Japan, Macau and Germany.

After two years of sharp declines, Chinese watch exports returned to growth in 2019. They increased by 10.9% in local currency, to 4.9 billion dollars. The proportion shipped through Hong Kong declined again, to 42%. The remainder was shipped directly to the United States, Japan, Switzerland and Vietnam, which more than doubled compared with 2018.

French watch exports and re-exports proved very dynamic in 2019, with an increase of 7.0% in local currency, to 3.0 billion dollars. Germany continued to decline (-3.6% in local currency), to 1.8 billion dollars.

### MAIN EXPORTING COUNTRIES



#### 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.

**World wristwatch exports**

China saw a slight recovery in volumes in 2019. It exported 644.3 million watches an increase of 1.7% compared with 2018. The average price of these watches was 4 dollars, compared with 3 dollars the previous year.

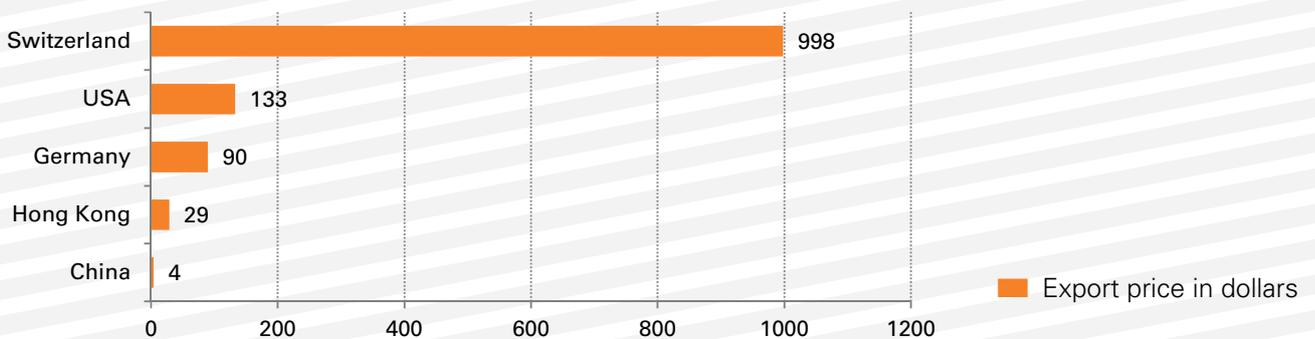
Watches shipped through Hong Kong lost ground in 2019, continuing a trend that has now been observed for several years. Exports and re-exports fell below the 200 million items mark, to 197.8 million. This represents a 3.4% reduction compared with 2018. The average price was 29 dollars.

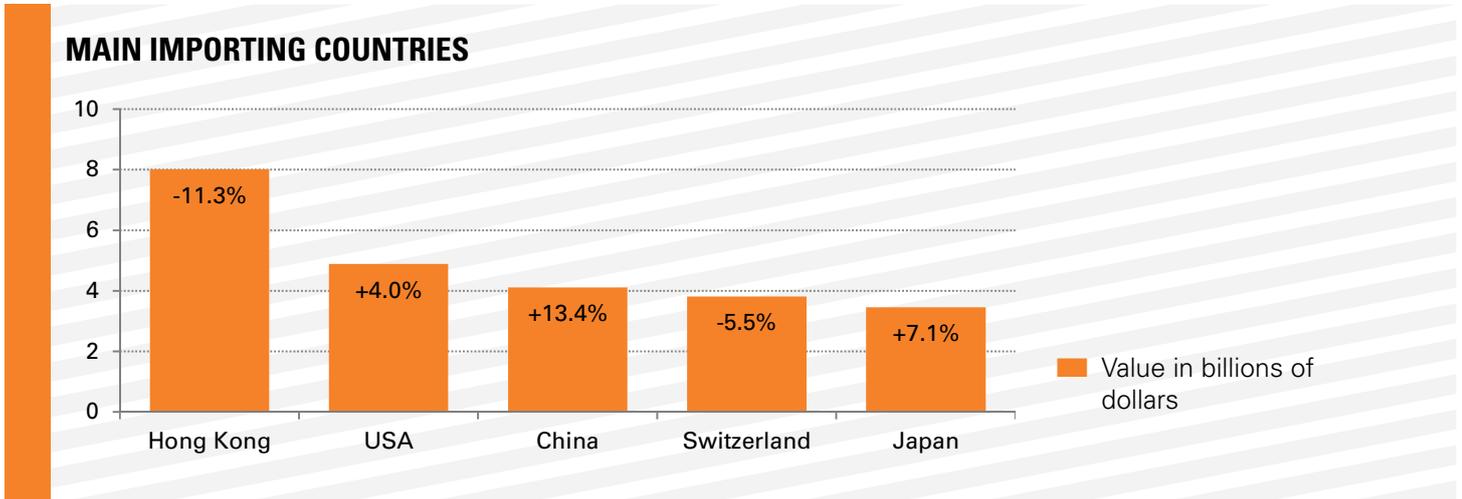
Switzerland witnessed a sharp decline in volumes (-13.1%). This was a historically very low level, with 20.6 million watches shipped abroad. Mathematically, the average price rose to 998 dollars.

**MAIN WRISTWATCH EXPORTING COUNTRIES**

	Millions of units	Variation
China	644.3	+1.7%
Hong Kong	197.8	-3.4%
Switzerland	20.6	-13.1%
Germany	16.9	-2.2%
USA	11.3	-5.2%

**AVERAGE PRICE OF EXPORTED WATCHES**





**World watch industry imports**

Watch imports from Hong Kong declined in 2019, in line with the situation in the local market. Imports were valued at 8.0 billion dollars, a decline of 11.3% (excluding the impact of exchange rates) compared with 2018.

Logically, the United States saw an increase in watch imports (+4.0%), to 4.9 billion dollars. Two thirds of this value came from Switzerland, while Japan and China accounted for a quarter.

China returned to third place, thanks to a sharp increase in watch imports (+13.4% in local currency), to 4.1 billion dollars.

Switzerland, which saw a decline of 5.5%, dropped below the 4 billion dollar mark, to 3.8 billion in 2019.

The Japanese market was very dynamic, prompting a sharp increase in watch imports, mainly from Switzerland, to 3.5 billion dollars (+7.1% in local currency).