



Press release

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Swiss watch exports in the first half of 2014

Growth in line with forecasts

The first half-year was very favourable for the Swiss watch industry as a whole. Exports once again passed the 10 billion franc mark, with 10.532 billion. This high level corresponds to growth of 3.0% compared to the first half of 2013. The rate in this first part of the year is slowing however, with a result of +4.6% for the first quarter and +1.6% for the second.

This good result was not uniform across regions. As Europe stagnated from January to June and the American continent failed to significantly increase its level (+0.6%), growth was buoyed almost exclusively by Asia (+5.1%). On this continent too, the main markets showed disparities in their performances. While growth was evident in most price segments, the focus was on mechanical watches to the detriment of quartz models.

Watch exports are currently perfectly in line with forecasts made more than a year ago. These remain positive for 2014 overall, even indicating a possible acceleration in the second half-year.

Products

Watches were Switzerland's main export in the first half of the year. They accounted for more than 94% of the total value, i.e. 9.9 billion francs (+2.8%). In volume terms, this corresponds to 13.1 million timepieces (+0.8%).

Mechanical watches continued to find favour with consumers, recording increases by value (+5.2%) and by volume (+7.4%), whereas quartz watches showed a negative result on both counts (-5.5% and -1.6% respectively).

Among the main materials, products manufactured from precious metals saw their value increase (+1.6%), thanks largely to platinum. More than one in two watches were steel models, and this material unsurprisingly led the way in value terms (+2.9%). By volume, steel (-2.7%) and the category of other metals (-24.2%) lost ground, however the category of other materials (+22.6%) more than compensated for these downturns.

All the figures released by FH refer to exports data and not to sales to end-consumers. Differences between these two types of data may therefore exist. These data must be regarded as consolidated figures gathering export results from all Swiss watch companies. They obviously cannot reflect the individual results of one particular company or group of companies, knowing that business activity may greatly vary from one to the other.



Only watches costing less than 200 francs (export price) registered a decline (-1.4% in volume terms). The 200-500 francs segment recorded the strongest increases, particularly with a rise of 6.2% by volume. Timepieces between 500 and 3,000 francs saw their value increase by 1.3%, while the corresponding figure for watches costing more than 3,000 francs was 3.7%.

Markets

In the first half of 2014, the fifteen main markets showed the following trend (total value in million francs and % variation by comparison with the first half of 2013):

1.	Hong Kong	2,007.5	+4.4%
2.	USA	1,111.4	+2.5%
3.	Japan	657.6	+25.5%
4.	China	649.4	-4.2%
5.	Italy	588.4	+2.0%
6.	Germany	578.3	-4.9%
7.	France	531.0	-5.3%
8.	UAE	520.5	+8.8%
9.	Singapore	515.8	-2.0%
10.	United Kingdom	435.2	+0.3%
11.	South Korea	292.9	+25.4%
12.	Spain	215.5	+7.5%
13.	Taiwan	213.3	-2.9%
14.	Saudi Arabia	183.5	+0.4%
15.	Russia	132.0	+5.3%

Two thirds of the Swiss watch industry's main markets gained ground during the first half-year. There were however disparities both in Asia and in Europe. On the Asian continent, Hong Kong remained the clear front runner and saw a return to positive annualised growth at the end of the period. Japan recorded the largest increase on the world stage, with South Korea. For the former, the trend dates from the end of 2013, while for the latter steady progress has been virtually uninterrupted for ten years or more. China's performance was comparable to that of Korea but its figures fell into the red at the beginning of 2013. Recently it has shown signs of getting back on track, however the June result represented a setback. Singapore and Taiwan followed the Chinese pattern, albeit in a less marked fashion. In the Middle East, the United Arab Emirates recorded a result well above average, while Saudi Arabia stagnated. In Europe, several markets registered upturns, including Italy, the United Kingdom, Spain and Russia. By contrast, Germany and France lost ground.