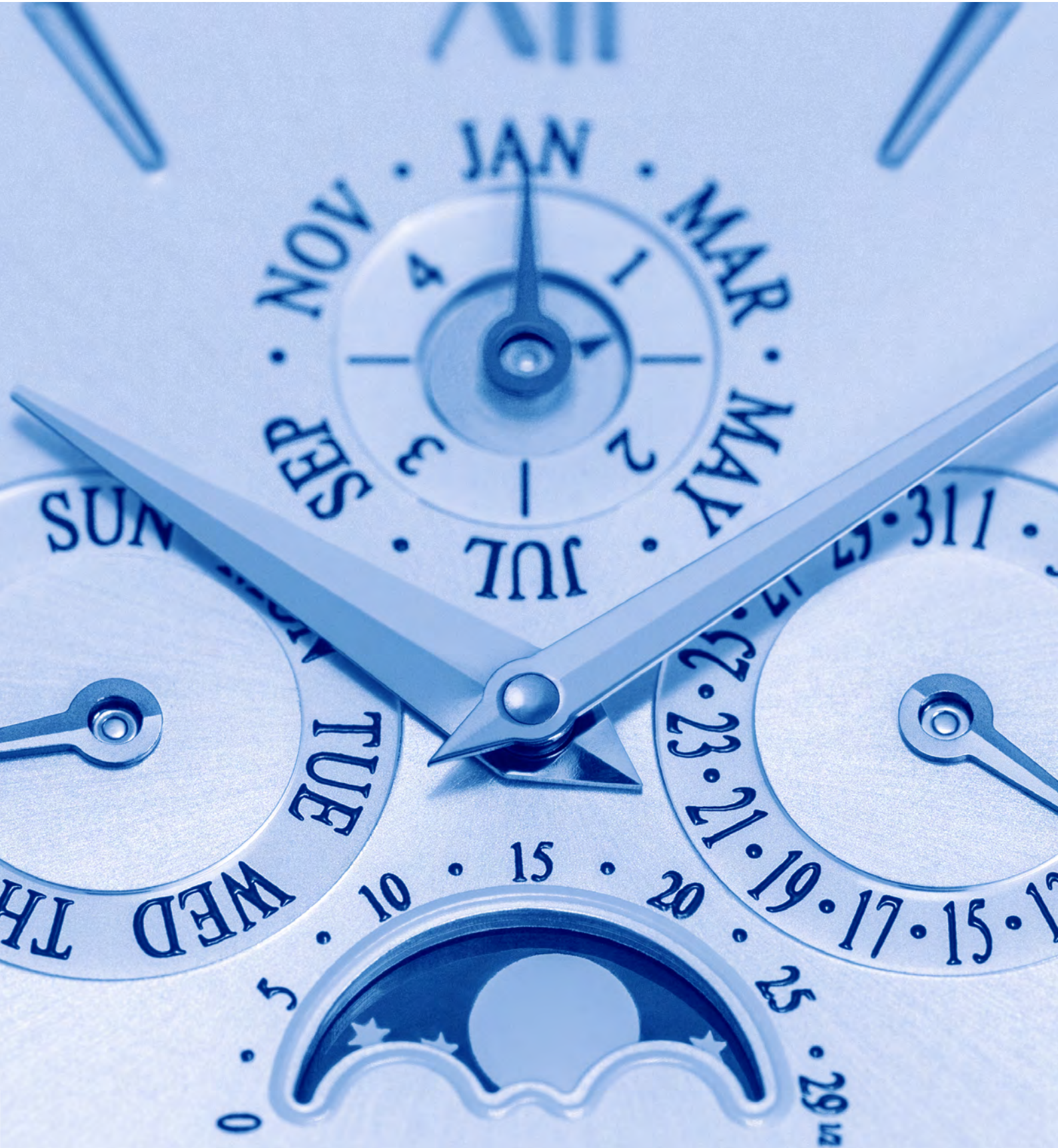




Fédération de l'industrie horlogère suisse FH  
Verband der Schweizerischen Uhrenindustrie FH  
Federation of the Swiss Watch Industry FH

Annual Report

**2014**





# FH Annual Report 2014





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# Table of contents

<b>The word of the President</b>	<b>4</b>
<b>Highlights of 2014</b>	<b>6</b>
Swiss made - Swissness – Enforcement ordinances take centre stage	8
Revision of the law on cartels – Back to square one!	10
150 years of friendship – Think Time in Tokyo	11
<b>Panorama of the 2014 activities</b>	<b>14</b>
Improvement of framework conditions	16
Information and public relations	19
The fight against counterfeiting	22
Standardisation	28
Legal, economic and commercial services	29
Relations with the authorities and economic circles	30
FH centres abroad	31
<b>The Swiss watch industry in 2014</b>	<b>32</b>
Watch industry statistics	34
<b>Structure of the FH in 2014</b>	<b>38</b>
The FH in 2014	40
The General Meeting	41
The Board	42
The Bureau and Commissions	43
The Departments and the Services	44
The network of partners	45



The background is a solid blue color. Overlaid on it is a faint, light blue graphic of a compass rose. The compass rose has a central pen nib pointing towards the top-right. The cardinal directions are labeled: 'JAN' at the top, 'MAY' on the right, 'NOV' at the bottom, and 'JUL' on the left. The days of the week are also labeled: 'SUN' at the top-left, 'TUE' at the bottom-left, 'WED' at the bottom, and 'THU' at the top-right. The numbers 0, 5, 10, 15, 20, 25, and 30 are arranged in a circular pattern around the pen nib. A crescent moon is positioned at the bottom of the compass rose.

The word of

# the President



The year 2014 was positive overall for the Swiss watch industry. Exports totalled 22.2 billion francs, an increase of 1.9% compared to 2013. It is pleasing to note that volumes, too, were up (+1.7%) with nearly 29 million watches leaving Switzerland. While developments were very positive in South Korea, Japan and Saudi Arabia, downturns were recorded in China, Germany and France. I am

aware that these global figures may conceal contrasting realities according to firms and their positioning.

Japan was in the spotlight not only for its good results, but also at a diplomatic level. The year 2014 saw celebrations marking the 150<sup>th</sup> anniversary of diplomatic and commercial relations between our two countries. Different events were interspersed throughout the year and the FH played its part by attending a watchmaking exhibition, the TOBU World Watch Fair, where it presented Think Time Think Swiss Excellence. Our exhibition also made appearances in Hong Kong, Paris, Lausanne and the Joux Valley.

Relations with China were marked by the entry into force of the free trade agreement in July. After some teething problems in the application of rules, the agreement now appears to be working satisfactorily. However the free trade agreement with the Gulf countries, which also entered into force in July, was still not operational at the end of 2014, due to the failure by some countries to transpose its provisions.

From a Swiss perspective, the past year was marked by the refusal of Parliament to revise the law on cartels. The FH lobbied actively on this issue to preserve distribution agreements. Whereas the project planned initially to show greater regard for the economic benefit of vertical agreements, which in particular help to optimise the distribution chain, the Federal Council suddenly did a U-turn. This led the FH to voice its opposition to the proposed modifications.

Following the adoption of the Swissness bill by Parliament in 2013, the Federal Council published enforcement ordinances in 2014. These stipulate the calculation method for attaining the rate of 60% and list parameters which are taken into consideration, such as R&D costs, and those which are not, for example materials unavailable in Switzerland. While the FH favours the early introduction of the Swissness package, it is also calling for adequate transition deadlines to be put in place to give firms time to adapt.

The fight against counterfeiting moved up a gear with large-scale seizures of copies in Dubai, Saudi Arabia and Morocco, and a record number of ads for fake Swiss watches withdrawn from the Internet.

I hope you enjoy reading this report and offer my thanks for the trust you place in our association, and my gratitude to FH employees for their commitment.

Jean-Daniel Pasche



# Highlights

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# of 2014

Developments concerning the Swissness project and the Swiss made label were very much the focus of attention for the FH in 2014. Following the adoption of Swissness in June 2013, the Federal Council published four draft revisions of ordinances which were closely scrutinised by the FH. If the Swissness project made progress last year the same cannot be said of the law on cartels, which for its part finds itself back where it started. The FH made several interventions in the parliamentary process to assert the interests and views of the Swiss watch industry. Another key point of the year 2014 were the festivities surrounding 150 years of diplomatic and commercial relations between Switzerland and Japan. The watch industry was present when the agreement was first signed, and was likewise in the frame for this anniversary.





# Swiss made - Swissness

## Enforcement ordinances take centre stage

The Federal Parliament passed the Swissness bill in June 2013. In concrete terms, this bill triggers a revision of the law on the protection of trademarks (LPM) which governs regulations concerning geographical indications. It is also the LPM which serves as the legal basis for the Swiss made ordinance (OSM) for the watch industry, now being revised. Swissness also brings about a change in the law on public coats of arms (LPAP), a revision which for its part is unopposed.

Now that the legal framework exists, the Federal Council must adopt the enforcement ordinances of this legislative revision affecting the two aforementioned laws. To this end, it published four drafts on the subject of Swissness at the end of June 2014:

- Revision of the ordinance on the protection of trademarks (OPM);
- New ordinance on the protection of Swiss coats of arms and other public insignia (OPAP);
- Ordinance concerning the register of protected appellations of origin and geographical indications for non-agricultural products (AOP-IGP ordinance);
- New ordinance on use of the indication of origin "Swiss" for foodstuffs.

The watch industry is not affected by the ordinance on foodstuffs, while that on coats of arms gives no grounds for debate. The most important in terms of Swiss made for the watch industry is the ordinance on trademarks. Concepts used in the latter will be very useful when it comes to applying the revised OSM, for example calculation of the 60% rate based on cost price. This concept is borrowed from financial accounting. The FH has proposed to the Federal Council that firms should be able to rely on accounting systems they normally use to make these calculations, as opposed to prescribing a precise method of control.

Costs entering into the calculation include R&D costs, as well as those linked to quality assurance and certification where prescribed by law or regulated uniformly on a sector-wide basis. Costs incurred in order to comply with NIHS or ISO standards may also be taken into account: "chronometer", "water-resistant", etc. Where a watchmaking standard exists, it is legitimate in our opinion to speak of a uniform, sector-wide regulation. On the other hand, packing and transport costs, administration and distribution costs, as well as those linked to marketing, may not be taken into consideration in the cost price.

Another important point concerns materials which may be excluded from the calculation. The OPM makes a distinction between natural products which do not exist in Switzerland,

the cost of which is not taken into account, and raw materials which can be sourced in Switzerland but perhaps in insufficient quantities, particularly semi-finished products. The latter could be partially excluded from the calculation. Who decides if a material exists in sufficient quantities in Switzerland? The Federal Council intends to confer those powers on industries themselves, and in the field of watchmaking the decision would rest with the FH.

How are component prices integrated in the final product calculation? Let's take the example of a screw whose Swiss value is 40% of its cost. It is therefore not Swiss made, since its Swiss value falls short of 60%. According to one method, an amount equivalent to 40% of the cost of the screw would be taken into account to calculate the Swiss share of the cost price, for example of the movement in which the screw is used. According to a second method, 100% of the screw's cost would be allocated to the foreign value of the said movement. The OPM leaves this choice to the discretion of manufacturers, provided they use the same formula to calculate all elements of a single product.

Regarding calculation of the exchange rate the FH recommends a flexible solution, namely the rate in force on the day of the transaction or the day of order confirmation, or the average rate used by the firm.

In general, the Federal Council is keen to adopt a pragmatic and sufficiently flexible approach. However, it is aware of the potential for abuse inherent in certain criteria, hence the provision of a clause prohibiting incorrect application. The latter seeks to apply the criteria of good faith in calculations. The service provided in Switzerland must be adequate in relation to the foreign material.

Because of its desire to implement protection for Swiss made within the shortest possible timescale, Parliament did not specify a transition period in law. The FH opposed this view, feeling that firms should be granted time in which to adapt. It therefore requested a transition period of five years from the date of entry into force. The Federal Council proposed a compromise. The new law (revision of legislation and of the ordinance on trademarks) will enter into force on 1<sup>st</sup> January 2017. Products complying with existing law may continue to be sold until 31 December 2018. This period concerns the 60% rate specified in the law on trademarks.

Regarding the ordinance on the register of protected appellations of origin and geographical indications for non-agricultural products, the FH notes that such a system exists for agricultural

and wine-growing products. The law on trademarks fills a gap and also establishes a register for industrial products, such as watches. Registration confers protection against incorrect and misleading use. This system would be worthwhile, since it does exist in other countries.

Generally, and without going into details, the FH feels that the proposed regulations are unwieldy and bureaucratic, particularly as regards criteria for the terms and conditions of appellations. Requirements concerning inspection and certification are wholly unrealistic: systematic government inspection on the premises of firms and suppliers. Moreover the desire to apply the same rules to industrial products as those derived from agriculture is misguided. In the watch industry, the practice of self-inspection is prevalent. If the wording remains unchanged, the FH believes that the watch industry will not have recourse to this register.

It is up to the Federal Council to analyse reactions to these consultations and to adopt the different ordinances. Among those under consideration, the Federal Council will of course need to adopt the revised OSM. The year 2014 saw many contacts and discussions within the sector and with the federal authorities. The result is a project approved by the FH Board on 17 December 2014 (PrOSM5), which follows on from the initial project adopted by the FH General Meeting of June 2007. The latter has had to be revised to accommodate the Swissness bill, discussions with watch industry associations in the European Union, and above all discussions with the federal administration. The main change in relation to the 2007 version concerns abandonment of the 80% rate both for the watch and the movement, resulting in a single rate of 60% for all watch industry products. In addition, it confirms a new criterion already present in the 2007 version, namely the requirement that technical development of the watch and of the calibre, i.e. design and prototyping, should be carried out in Switzerland.

The FH is proposing to the Federal Council that PrOSM5 should enter into force within a period of five years from the date of its adoption. If adopted at the end of 2015, it would therefore enter into force at the end of 2020. In the final analysis, this timescale concerns only the new requirement relating to technical development. Indeed the 60% rate for its part will enter into force on 1<sup>st</sup> January 2017, at the same time as the revised law on trademarks and the OPM.

The three existing conditions in place since 1992 (use of a Swiss movement, the requirement that manufacturers must carry out assembly and final inspection on Swiss soil), will remain unchanged.



2014 will have been another decisive year in the effort to strengthen the Swiss made label for the watch industry and, with the adoption of these ordinances, 2015 should bring an end to the legislative procedure.



# Revision of the law on cartels

## Back to square one!

In September 2014, the National Council drew a line once and for all under the draft revision of the Swiss law on cartels. This monumental failure of a large-scale project which had been planned for several years and which gave rise to fierce struggles between different political actors, can be explained by the historical and economic background.

The current version of the Swiss law on cartels was introduced in 1995. After a partial revision in 2003, the unlawful nature of certain vertical agreements (those between firms occupying different market levels), direct sanctions, and a clemency programme were added. Following an assessment of the law's effectiveness, the Federal Council finally introduced ambitious plans for reform in 2010. They included in particular restructuring of the Competition Commission, with a view to greater independence and a more pronounced separation between the enquiry phase and the latter's decision-making body. Also in the frame: differentiated treatment of vertical agreements, which are extremely important for the watch industry; modernisation of the control of mergers; and measures intended to speed up procedures at an institutional level.



Concerning vertical agreements such as those binding on watch manufacturers and their distributors, the project provided initially for greater consideration to be given to the economic utility of some of these contractual relationships. Many economists recognise in fact that in some situations, such agreements optimise the distribution chain and therefore do not necessarily have a damaging effect on competitors. This strategic approach, applauded by the Swiss economy in general, was suddenly abandoned by the Federal Council in 2011 as a result of the sub-prime crisis and the ensuing appreciation of the Swiss franc

against the euro. Influenced by these special circumstances and setting aside reflections on the economic utility of some vertical agreements, the Swiss authorities changed tack and eventually proposed a prohibition on certain types of agreement (in terms of vertical agreements, those on prices and territorial divisions). The prohibition could only be lifted on grounds of economic efficiency. Economic circles viewed this about-turn very critically, the more so since it was accompanied by a reversal of the burden of proof, which went against the principles of law and the principle of the presumption of innocence.

On 5 October 2011, the FH took part in the consultation procedure and argued against the proposed modifications. It criticised in particular the absence of any in-depth economic analysis of the proposed provisions regarding vertical agreements, and raised the problem of reversal of the burden of proof. The FH subsequently intervened in the parliamentary process on several occasions to ensure that the interests and views of the Swiss watch industry were heard.

At the same time, the draft revision passed to and fro between Parliament's two chambers. During this saga, a new proposal by the Council of States, also highly controversial, was tacked on to the project in the form of a prohibition on unlawful obstacles to purchases made abroad. Based on a motion by national councillor Birrer-Heimo, it was to have introduced an obligation to supply on the part of foreign firms, thereby providing Swiss firms with the assurance of favourable purchase prices without necessarily taking into account the position of firms on the market. This proposal was rejected virtually unanimously by Swiss economic circles.

Overburdened and beset by political in-fighting, the project was finally laid to rest by the National Council. However, calmness reigned only for a very short time. Indeed, following the recent lifting of the flat rate by the Swiss National Bank, proposals to strengthen the law on cartels have rapidly gained ground and a political initiative has now been put forward by State Councillor Hans Altherr. The FH will therefore continue to keep a close watch on the situation!

# 150 years of friendship

## Think Time in Tokyo



The FH joined celebrations commemorating the 150<sup>th</sup> anniversary of friendship between Switzerland and Japan by attending the TOBU World Watch Fair in Tokyo, from 21 to 26 August, under the auspices of the Swiss embassy.

In 2014, Switzerland and Japan celebrated 150 years of friendship, or more accurately diplomatic and commercial relations maintained between the two countries. Indeed it was thanks to

Aimé Humbert that a treaty of trade and friendship was signed on 6 February 1864. In his capacity as plenipotentiary minister appointed by the Federal Council and president of the Union Horlogère, Aimé Humbert set off for Japan in April 1863, and it was only after a perilous journey and painstaking negotiations that he succeeded in ratifying the treaty. The businessman was not only a diplomat, but also the proponent of a proposal to collaborate with the Land of the Rising Sun in the manufacture of timepieces. This anniversary is therefore closely bound up with the watch industry.

Let us return to 2014 however. The first phase of festivities marking this commemorative year took the form of an official visit by the president Didier Burkhalter, while a group of Swiss artists took up residence for four days in Tokyo city centre. In parallel, the Fondation de la Haute Horlogerie opened an exhibition on the history of the measurement of time. Finally, other events took place throughout the year on Swiss soil, such as the exhibition at Neuchâtel Museum of Ethnography devoted to Japan, as well as concerts and art exhibitions.

To mark this eventful year in its own fashion, the FH chose to attend the TOBU World Watch Fair, a show targeted at watch-making enthusiasts and organised since 2001 by TOBU Ikebukuro, one of the largest department stores in Tokyo. At the opening ceremony an address was given by the president of the department store, followed by representatives of the FH and the Swiss embassy in Tokyo.

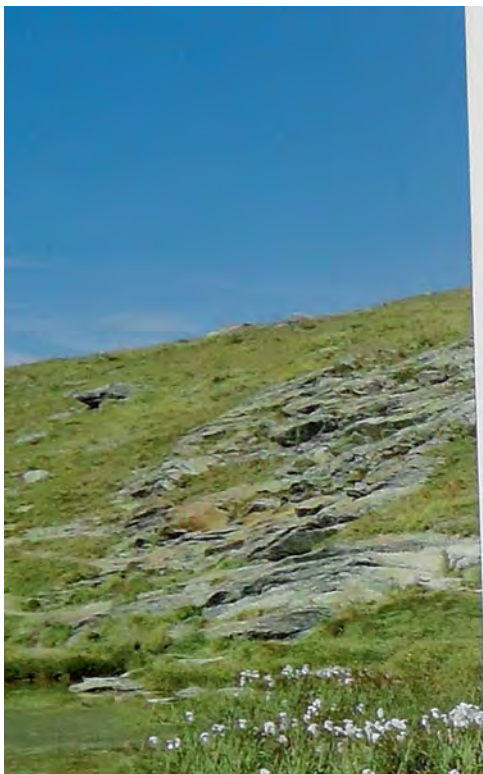




The TOBU World Watch Fair brought together around thirty Swiss watch brands. The public, comprising the store's usual customers, aficionados of different brands and enthusiasts drawn by publicity surrounding the event, was also able to discover and visit "Think Time Think Swiss Excellence", the FH thematic exhibition. To make it more accessible to the Japanese public, the exhibition was translated into Japanese in its entirety.

In this way the FH was able to show its support for the permanency of links between two countries united by history and sustained by the shared values of respect for cultural traditions, the sense of precision and the taste for innovation.

Think **Time**  Think **Swiss Excellence**



150  
Diplomatic Relations  
Switzerland-Japan  
日本・スイス国交樹立

2014年。日本とスイスは  
国交樹立150周年を迎えま





# Panorama of the



# 2014 activities

As the leading association of Switzerland's third biggest export industry, the FH pursues many objectives: to improve the background conditions for the branch in Switzerland and elsewhere in the world, to oppose the blight of counterfeiting and, for example, support its members and keep them, together with the media and consumers, properly informed. The following pages present a non-exhaustive selection of the actions taken by it in 2014.



# Improvement of framework conditions

During the year under review the FH pursued its goals of defending the interests of the industry in dealings with the Swiss and foreign authorities. To that end, it kept a close watch on the various negotiations under way with a view to the conclusion of new free trade agreements or the revision of existing agreements. These bilateral negotiations or others conducted by EFTA concern markets such as India, Indonesia, Malaysia, the Philippines, Vietnam, Turkey and Canada.

In parallel, the FH also intervened in a dozen other countries, for instance on the occasion of official missions of Federal councilors, bilateral joint committees or during visits by foreign authorities to Switzerland. The conditions for access to the market, protection of intellectual property and temporary imports were just some of the many topics dealt with. A brief outline of the action taken in this area will be found below.

## Russia

The Ukrainian crisis was a salient feature of the year 2014. In the second half the economic sanctions imposed in particular by the European Union and the United States placed a severe burden on the Russian economy which was aggravated by the fall in world oil prices, causing the value of the rouble to collapse.

One immediate consequence of the Ukrainian crisis was the suspension of the discussions between Switzerland and its EFTA partners with a view to a free trade agreement with the RuBeKa (Russia, Belarus, Kazakhstan) Customs Union, an agreement in which the Swiss watch industry takes a keen interest. Unsurprisingly, the worsening economic climate at the end of the year weighed heavily against business. Hit by the falling rouble, the number of Russian tourists and the volume of their foreign spending also fell sharply.

In this difficult environment, the FH endeavoured to safeguard the interests of the industry in several specific areas.

First of all, implementation of the bilateral agreement on the recognition of hallmarks for watches made of precious metals which took effect in July 2013 had to be overseen. In fact some new Russian decrees gave reason to fear the introduction of particularly stringent additional administrative constraints (individual identification of each watch, single centralised customs clearance) which were strictly incompatible with the spirit and the letter of the agreement. To date, routine practice shows that these measures have fortunately either been set aside or deferred. Be that as it may, vigilance must remain the order of the day in this area.

Questions arising from the legislation on consumer protection and, as a corollary, guarantee obligations remain topical. In substance, watches are not at present classified as “technically complicated” products; consumers therefore enjoy extensive and even disproportionate rights, particularly in the area of refunds. By comparison with international practice these provisions go too far and are a potential source of serious abuse. The FH is therefore continuing to urge the Russian authorities to amend existing legislation in order to include watches at the earliest possible opportunity in the list of complicated products, so enabling them to benefit from standard guarantee rules of the kind which apply at international level.

For the rest, the FH kept a close watch on the evolution of the tariff reduction programme adopted when Russia joined the WTO three years ago. This programme is due to end in 2017, but a great majority of the final consolidated customs duties will already apply from 2015. For the record, customs duties on watches will then fall from a range of 15.7 - 17.3% in 2012 to a lower range of 7 - 12% in 2015 and the final minimum specific rights will be definitively abolished on that same date.

## China

The bilateral free trade agreement entered into force on 1 July 2014. Watches which account for 98% of Swiss watch industry exports to China will benefit, depending on the type of product, either from a total abolition of customs duties within a time limit of five to ten years or from a 60% reduction in duties spread over ten years. In concrete terms the customs duties on these products will vary from rates initially in the 11 - 12.5% range to rates of between 4.4 and 5% at the end of the dismantling period.

From the date of entry into force, the interpretation of certain provisions, e.g. concerning the declaration of origin, territoriality or transport and the implementation of the new customs clearance procedures generated some teething problems affecting the watch industry and other exporting branches. Certain practices therefore had to be corrected, notably in order to abolish the requirements which were inappropriate under the terms of the agreement and to make the export and customs clearance procedures more fluid. On the basis of the experience gained by the exporters themselves, customs experts from both sides held several meetings with this aim in mind.

## India

Despite an acceleration, negotiations on a free trade agreement between EFTA and India were not concluded before the Indian general elections in April-May. The calendar is not the only problem; substantial divergences still exist on matters of substance.

From the watch industry perspective, these divergences concern as a matter of priority liberalisation of access to the markets and application of the agreements on intellectual property. In concrete terms, the FH wants customs duties to be either abolished or greatly reduced for watch industry products upon importation into India; compliance with the minimum standards set by the TRIPS (Trade-related Aspects of Intellectual Property Rights) rules of the WTO, concerning patents in particular, is a further aim. This last point involves a principle from which the FH cannot derogate, given its mission in favour of the valorisation and protection of intellectual property rights. Similarly, the FH is looking for a substantial opening of the Indian market where, as is general knowledge, a whole series of internal taxes are added to the duties collected on imports.

## Gulf Cooperation Council

The entry into force of the free trade agreement with the member countries of the Gulf Cooperation Council GCC (Saudi Arabia, Bahrain, United Arab Emirates, Kuwait, Oman, Qatar) experienced some difficulties. In fact the customs administrations of some GCC member countries were unable to immediately transpose the scheduled provisions and regulations. In some cases therefore watch industry products have not benefited from the preferential treatment introduced by this agreement which took effect on 1 July 2014, in respect both of the duties payable and of the simplified customs procedures. The Joint Committee responsible for supervising the application of the agreement was of course apprised of this situation and transitional measures were put in place.

## Philippines

The First Switzerland-Philippines Joint Committee met in Manila in July with a view to negotiations on a free trade agreement with EFTA which are due to start in the spring of 2015. This meeting was a good opportunity for an initial exchange of views on the economic policies of each of the parties.

From the watch industry perspective, the FH submitted a memorandum seeking to effectively redeploy the fight against counterfeiting on this market. There has in fact been a cooperation agreement since 2010 with various Government agencies of the Philippines which are actively combating counterfeiting. Although effective raids were conducted in the early stages of this cooperation, recent results concerning seizures of articles are far less satisfactory; there has in fact been a disturbing recrudescence of the trade in counterfeit products, especially in the capital.

## Brazil

The difficulties associated with access to the market and the fight against counterfeiting remain priority topics for the Swiss watch industry on the Brazilian market. The FH has therefore made representations for their inclusion in the work of the Sixth Joint Bilateral Commission which was convened in Brasilia at the end of the year. While no progress can be envisaged on the tariff front, less stringent provisions concerning customs procedures and the many administrative formalities could be put into effect through the "Single Window" programme which the Brazilian Presidency has announced its intention to implement with a view, in particular, to cutting bureaucracy and the time and costs involved in trade with other countries.

Last but not least, the possibility of using the ATA Carnet in Brazil is impatiently awaited, especially when we remember that this country already ratified the convention on temporary admission in 2011.

## Other markets

On the occasion of various official visits by the Secretary of State Marie-Gabrielle Ineichen-Fleisch during the year, the FH forwarded a number of memoranda and applications seeking an improvement of the background conditions on some other markets. That was the case in particular for Armenia (customs duties on imports, ATA Carnet Convention), Georgia (ATA Carnet) and Nigeria (customs duties, customs formalities and procedures, insecurity).

## Mission by the Chairman to Japan

The FH took part in the official mission led by Federal Councillor Johann N. Schneider-Ammann to Japan last July to mark the 150<sup>th</sup> anniversary of diplomatic and commercial relations



between the two countries. This was also an opportunity to highlight Switzerland's support for the regions that had been hit by disasters in 2011.

After two violent external shocks, the financial crisis and the disasters of 2011 (earthquake, tsunami and nuclear accident), the Japanese economy had emerged from recession but complex structural problems remained: demography, public debt level, deflation ... Prime Minister Abe had launched his stimulus plan with the focus on three main areas: external monetary policy, flexible fiscal policy and new growth policy. These measures stimulated consumption and resulted in GDP growth which exceeded 6% in the first quarter of 2014. However, growth then flagged. The weak yen no longer seems to really stimulate exports at least in volume terms and is making imports more expensive with a corresponding impact on the public finances. In addition, VAT was increased by 3 percentage points on 1 April 2014 to reach 8%.

The balance of trade between Switzerland and Japan is favourable to our country by a wide margin. In 2013 among the principal Swiss industries only watchmaking saw an increase in its exports to Japan. On the other hand, a decline in both exports and imports between the two countries was observed at a more general level. The free trade agreement does not really seem to be having positive effects, a fact which was noted during the discussions.

For the Swiss watch industry Japan has been an important market for a very long time, in effect since diplomatic and commercial relations were first established. Swiss watches have always been used in the archipelago and their presence is stronger than ever today.

The official Swiss mission took place in this context. The discussions, especially those with Vice-Minister Kazuyoshi Akaba (Ministry of Economy, Trade and Industry) and Minister Akira Amari (Minister in charge of Economic Revitalization, Total Reform of Social Security and Tax), dealt with bilateral relations which are incidentally excellent. The free trade agreement between Switzerland and Japan is the first of its kind concluded by Japan with a European country. The Japanese authorities seemingly wish to pursue this route of free trade with their Asian neighbours.



*Vice-Minister Kazuyoshi Akaba and Federal Councillor Johann N. Schneider-Ammann*

Demographic issues were also covered by the discussions, in view of the problems of the low birth rate and the absence of immigration encountered by Japan.

The delegation also travelled to the Onagawa-Fukushima region to see for itself the reconstruction efforts following the 2011 disaster. This was also an opportunity to show Switzerland's support in face of this terrible ordeal confronting the local populations. Switzerland has made a large contribution to the reconstruction of the Onagawa medical centre. The Swiss delegation was impressed by the courage and determination of the local population not just to rebuild the infrastructure but also to restore the image of the region. This official visit was highly appreciated and is helping to establish ever closer links between our two countries.



# Information and public relations

## Relations with the media

The FH remains a privileged point of contact for the media which consult it regularly about trends in the industry and on specific watchmaking subjects. For its part, the FH issues press releases, keeps its members informed via its Extranet and publishes regular news about the watchmaking industry on its Internet site.

In addition to his frequent contacts with the watchmaking press and answering many requests at the watch industry exhibitions, in particular the SIHH in January and Baselworld in March, the Chairman has granted interviews to many members of the Swiss and international press.

In the year 2014, the Chairman gave a number of lectures to the Lions Club in Bienne, the Rotary Club in Sion, the International Financial Management Association in Geneva, the Chamber for the Public Economy of the Bernese Jura in Tramelan, the Swiss Association of Precious Metals Manufacturers and Traders in Geneva, the inauguration of the official COSC Bureau in Bienne, the 50<sup>th</sup> anniversary of Centredoc in Neuchâtel and the Grammar School in Bienne.

## General Meeting

The 2014 Annual General Meeting was held in Martigny on 26 June in the presence of the delegates and members of the FH, together with many guests. These included the President of the Council of State of the Canton of Valais Jean-Michel Cina and the National Councillor for Neuchâtel, Jacques-André Maire.

## Berner Dictionary

The FH continued its work on the updating of the Illustrated Professional Dictionary of Horology, widely referred to as the "Berner Dictionary". The project is being led by the FH with the following group of permanent experts: Estelle Fallet, Curator-in-Chief of the Museum of Art and History of Geneva, Bernard and Marlyse Muller, designers and authors of books about watchmaking, François Klopfenstein (ETA), Marco Richon, former curator of the Omega Museum, Antoine Simonin, former Director of Wostep and publisher of books about watchmaking and Jean-Pierre Golay (Frank Muller). The group also calls upon the services of non-permanent experts to deal with special subjects. The group is chaired by Jean-Daniel Pasche (FH).



2014 General Meeting in Martigny



## Watch industry statistics

As the main source of numerical data about the industry, watch export statistics have been processed and circulated by the FH through various channels. The FH members have been able to consult them in great detail on the Extranet or on the statistical server which hosts the complete database. Journalists, students, financial analysts and everyone else who is interested can access a monthly publication on the FH Internet site. The evolution of the industry is also discussed in the quarterly magazine Tendances (Trends) and in half-yearly press releases. Throughout the year, frequent enquiries were made to the FH about the statistics and it was able to answer many requests.



The new face of the FH Internet site

## Revue FH, Annual Report and Internet site

In its new presentation, the FH continued to keep its members and subscribers informed about the latest developments in the Swiss and international watch sector. With a print run of 1,600 copies and twenty issues a year, it generates keen interest in the industry both for advertising and through its new articles. In 2014, it was the turn of the activity report to take on fresh colours and adopt a much more open and reader-friendly presentation. This publication was also well received by its readers. The FH Internet site was another media which underwent a major update in 2014. A new graphic presentation was adopted and its content was also enriched. This new version groups together local and global aspects of information about the Federation and the Swiss watchmaking industry by incorporating in particular specific news items about the FH centres in Japan and Hong Kong. Most of the pages are now available in French, English, Japanese, traditional Chinese and simplified Chinese. Roaming users have not been forgotten either because a mobile version has been developed for smartphones.

## Think Time Think Swiss Excellence

In 2014, the FH thematic exhibition, Think Time Think Swiss Excellence, was presented on numerous occasions, in particular to mark the 150<sup>th</sup> anniversary of diplomatic and trade relations with Japan (see section: Highlights, page 11).

In May, the exhibition was shown in Hong Kong on the occasion of the 136<sup>th</sup> annual Congress of INTA, the International Brands Association. As Hong Kong is the foremost export market for the Swiss watch industry, the question of the prevention of counterfeiting plays a crucial role. The presence of the FH at this event killed two birds with one stone: promotion of its activities in the field of the prevention of counterfeiting while reaching an audience which is particularly receptive to Swiss watches because of its high purchasing power. On the site, screens showed the FH leitmotifs in a continuous loop: value and protection of Swiss made, prevention of counterfeiting in the field and on the Internet.

For educational purposes, Think Time was presented during a week of encounters and debates on the theme of watchmaking and jewellery. The event was held in a private educational establishment, the Paris National Institute of Gemology, enabling a lay audience to be made aware of Swiss watchmaking, while also reaching and informing professionals in a sister branch.



*The Think Time tactile table enables a virtual watch movement to be built*

The year ended with participation in two events at home in Switzerland: the Career Starter Week of the HEC business faculty of the University of Lausanne and an open day at the Technical School in the Vallée de Joux. The purpose of the Think Time presence was to represent the branch, support training and establish closer ties with professionals, while also experimenting contacts with new audiences.

Visitors to these different events were able to discover a new media added to the eight exhibition panels: a tactile table for the virtual building of a watch movement. The presence of this new tool adds an interactive recreational dimension to the exhibition.

### Presence at Baselworld

Baselworld, the World Watchmaking and Jewellery Exhibition, brought together some 1,500 exhibitors from all over the world on 27 March to 3 April 2014 in Basel. For this edition, the Press Centre occupied a new site right next to the main entrance to the exhibition (in Hall 1). The Swiss Exhibitors' Committee stand, present to promote the brands to journalists and the many visitors, was also moved and incorporated into the same Press Centre. The number of journalists coming to Baselworld has doubled in ten years, making it particularly important to receive them in an appropriate setting. As is the case every year, the FH was present on the Swiss Exhibitors Committee stand. It took the opportunity to convey its message about the prevention of counterfeiting and announce the global statistics of the industry. An information brochure was available in electronic form and distributed at the same time as the press files.



*The FH is present at Baselworld, at the Swiss Media Centre*



# The fight against counterfeiting

## Scope of activities

Through its Legal and Anti-Counterfeiting departments, as well as its Internet Unit, the FH is closely involved in the fight against counterfeiting. Reserved to members of the Anti-Counterfeiting Group (GA) and the Internet Unit, these services include a number of activities: analysis of fake watches, protection of Swiss geographical indications, investigations on markets, defence of members' intellectual property rights, awareness-raising among authorities and the population, efforts to prevent the online sale of counterfeit watches.

Since the GA publishes a separate report each year, we shall only provide an overview of its activities here. However anyone interested in receiving more detailed information may request a copy from the Legal Department.



*Raid on Feira dos Importados, in Brasilia*

## Geographical indications

Synonyms of quality and corresponding to strict production criteria, the geographical indications "Swiss" and "Geneva" enjoy an excellent reputation worldwide, particularly as regards watch-making products. Their protection was therefore one of the major concerns of the FH in 2014.

As a result of surveillance activities carried out on a daily basis, around sixty cases were opened against companies in breach of Swiss geographical origins on their products. Two criminal procedures are also pending for the same reasons.

Applications to register trademarks in class 14 (watchmaking products) were also actively monitored in 2014. Whenever the risk of misuse of Swiss names was suspected, the FH was able

to make a successful intervention. In more than 86% of cases, either the registration application was abandoned, withdrawn or refused, or the applicant signed an agreement with the FH undertaking to restrict the use of the trademarks concerned to products of Swiss origin in accordance with applicable Swiss law.

## Brazil

As host country of the football World Cup, Brazil enjoyed a high international profile in 2014. Knowing that the market for counterfeit products is very active in that country, coupled in particular with a massive influx of tourists, a raid was organised in Brasilia. It took place on 3 July 2014 at the Feira dos Importados, one of the country's largest black markets. The intervention led to the seizure of nearly 7,500 fake Swiss watches, as well as the arrest of six people.

## Dubai

Dubai is well known as a preferred port of call for counterfeit products, not least on account of its numerous free zones. Because of its strategic importance, the FH has been active in the city for several years in collaboration with its local partners. In 2014, work on the ground bore fruit with different raids resulting in the seizure of more than 90,000 counterfeit watches.

## Morocco

The FH intervened in Morocco for the first time in 2014 at the request of GA members. This country, the second most popular tourist destination in Africa, has its fair share of counterfeiting activities. Faced with this growing problem, the authorities have taken steps to strengthen the protection of intellectual property rights. At the end of the summer two raids were carried out in Casablanca and Agadir, where more than 90,000 counterfeit Swiss watches were seized. A very encouraging result for a first intervention.

## Saudi Arabia

The opportunity to take action in Saudi Arabia presented itself following the inspection of a container by local customs during the summer. In accordance with the Memorandum of Understanding signed with the authorities in March 2014, the case was brought to the attention of the FH. More than



8,500 watches were confiscated as a result and proceedings are now taking their course. This marks the first intervention by the FH in that country.

## Spain

The annual programme of action in Spain, which aims to reduce the visibility of watches on tourist markets, was successful in 2014. More than 3,700 fake watches were seized, including around 1,600 on the island of Tenerife, in the Canaries. Although counterfeiting remains rife in Spain, efforts made by FH partners since 2007 are beginning to bring rewards. Indeed, fake Swiss watches are much less evident on many markets. Moreover sellers confided to investigators that offering copies of Swiss watches for sale had become risky, which is why they were now turning their attention to other products.



*Market in Spain*

## Italy

Very active in the fight against counterfeiting, the Italian authorities conducted a large operation in Tuscany. Intended initially to curb clandestine immigration, police investigations led to the arrest of several Chinese nationals active in counterfeiting

circles and the closure of their clandestine workshops. The latter were however quickly reopened by other nationals, all identified by the authorities. As a result, during the summer, several raids were again carried out in the region of Prato. They led to the confiscation of more than 600,000 watchmaking components, including 15,000 finished Swiss watches. The procedure is taking its course and there is every likelihood that the authorities still have work to do.

## Hong Kong Watch & Clock Fair

As has been the case every year since 2008, the FH was present at the Hong Kong Watch & Clock Fair to carry out its usual surveillance activities. An attentive eye was cast over the stands to identify any infringements of intellectual property rights (breaches of trademarks or designs) held by GA members. At this year's event however, FH teams found that a quota of complaints had been imposed (5 complaints per day of the exhibition, i.e. 25 complaints in total) which limited their scope for intervention. Of the 25 complaints filed, 21 were upheld, including one based on the "Swiss" certification mark in force in Hong Kong. A most satisfying result.



*Hong Kong Watch & Clock Fair 2014*

## Baselworld

Various actions were taken by the FH at Baselworld. Firstly, surveillance was put in place before the exhibition at Zurich and Basel airports. Teams on the ground were thus able to

inspect several hundred watches intended to be exhibited at the event. Timepieces showing nonconforming Swiss geographical indications were modified on the spot where possible, or confiscated for destruction. Surveillance continued at the exhibition itself with a view to identifying any questionable exhibits on show in the stands. Examiners were pleased to note that infringements are becoming increasingly rare, proof that repeated action by the FH is bearing fruit.

### Awareness-raising and training of authorities

As is the case every year, the FH was actively involved in awareness-raising and the training of police and customs authorities around the world. The problem of counterfeiting is growing rapidly, and this calls for knowledge to be constantly updated. Such continuous training is therefore indispensable. In 2014, the FH attended training workshops at Paris-Roissy and Heathrow airports, as well as in Qatar, Portugal, Miami, Brussels, Zagreb and Prague, and in Switzerland on behalf of Swisspost employees. Such workshops are an opportunity to hold discussions with authorities, gain insight into concrete problems arising on the ground and offer solutions to facilitate their day-to-day work, while at the same time raising awareness of watch industry interests.



### Online activities

2014 was marked in particular by two emerging trends on websites dedicated to the sale of counterfeit products. Firstly, counterfeiters are attacking poorly protected legitimate sites

by inserting hidden pages that provide a link to counterfeiting sites. This operation is repeated time and again, thereby pushing contentious pages to the top of search engine lists. The thousands of sites attacked include those of public associations (local authorities, cities, etc), institutions, schools, and numerous SMEs, not least in Switzerland. No action can be taken against the site itself, other than notifying the incident to the webmaster and asking them to take down the contentious page and review the site's security. The work of the FH and its Internet Unit consists in identifying the destination site targeted by these pages and taking measures against it. This type of attack, even though it has been known to specialists for a long time, demonstrates that counterfeiters do not hesitate to deploy sophisticated pirating methods to improve the visibility of their sites, with spam increasingly playing a lesser role. This means that search engine algorithms are important, and Google in particular has made it known that it is aware of this new phenomenon.

The second worrying development is the increasingly frequent recourse to Content Delivery Networks. This system, designed basically to streamline and speed up the transmission of content on the Internet, makes it possible to duplicate content on computer networks distributed around the world. This results in concealment of the original IP address hosting the contentious website. Counterfeiters have therefore rushed to take advantage of this possibility, which can also block access to the site from certain countries or particular IP addresses. To exacerbate the problem, these intermediaries often refuse to cooperate, citing in particular the neutrality of the Net and its role simply as a channeller of data. It is therefore a new challenge, which the Internet Unit intends to overcome in collaboration with other rights holders facing the same problem.

In view of the above, the role of technical intermediaries involved "despite themselves" in the distribution of counterfeit products can be seen as decisive. In this context, mention should be made of the growing cooperation of payment organisations, in particular credit card associations, in efforts to identify undesirable intermediaries and cut off all means of payment on such sites. This makes it increasingly difficult for counterfeiters to find banks that agree to offer their services for illegal transactions.

On the other hand the situation regarding social networks and platforms is more satisfactory. The number of ads withdrawn by the Internet Unit has risen sharply with a total of 357,825 taken down in 2014. For the first time, Asian platforms have

taken measures to reduce the visibility of counterfeit products offered by sellers. The question now is to anticipate which other platforms or media the latter will turn to, and to ensure that preventive measures are put in place without delay. The Internet Unit has for example identified a significant increase in the use of some social networks to sell counterfeit goods. In a globalised world however the number of platforms is tending to fall, as they are taken over by the half-dozen or so large media groups active at a global level.



*Publicity on YouTube for sites offering counterfeit products*

### Technical analysis

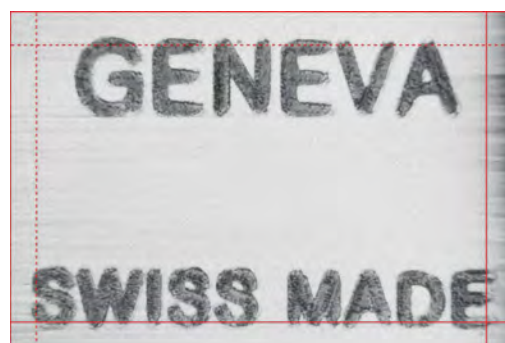
In 2014, FH watchmakers carried out technical analyses of 768 samples, i.e. 133 more timepieces than in 2013 (+21%). The results of these analyses were recorded in 446 reports of origin, i.e. 10 fewer than one year previously. The timepieces recorded infringed the rights of 58 different brands (59 in 2013). The samples examined in 2014 were seized or acquired in 22 countries (15 in 2013). Watches and reports were forwarded to rights holders, as well as to the organisations responsible for their seizure.

After a somewhat lacklustre performance last year, the number of samples in 2014 returned to a level closer to the ten-year norm, situated at around 800 timepieces. We know however that the number of samples is a biased indicator which can be affected by several chance factors. Nevertheless this large volume provides the FH year in, year out, with raw data that is essential for an objective understanding of watch counterfeiting. The reasoning is very different in terms of the number of brands affected, which constitutes a strong indicator. In this respect

the figures remain at a high level (58 counterfeited brands) undermining the popular consensus, based on intuition and little else, that only a dozen or so brands are affected. The geographical expansion of counterfeiting is another indicator not to be neglected. Counterfeiters took advantage of a favourable 2014 to extend their distribution areas, rising from 15 countries in 2013 to 22 in 2014.

As usual, the great majority of samples (94%) were counterfeit versions of brands and/or models. The remainder comprised timepieces that did not constitute counterfeit versions of brands or models but showed a false indication of Swiss origin ("SWISS MADE", "MADE IN SWITZERLAND", or a derivative such as "GENEVA"). For the latter, in the year under review, the Anti-Counterfeiting Department drew up 40 reports (56 in 2013), examining 47 samples (109 in 2013).

The completed analyses reveal that these watches incorporate a proportion of Swiss value of between 0% and 30%, which falls short of expectations on the part of consumers. In addition, such products represent an acute form of unfair competition for Swiss manufacturers who comply with the standards and quality level of the Swiss made label.



*Improper use of Swiss geographical indications*

Added to copies of brands or models are false technical indications, mainly the label "CHRONOMETER" or the Geneva hallmark, as well as false precious metal hallmarks. In recent years the label "CHRONOMETER", enjoying a renown which is now well established, has become highly coveted. In 2014, the FH recorded 126 cases of misuse, as well as derivatives of the term, both on watches and commercial documents accompanying the timepiece, an increase of 16% (109 cases in 2013).



In addition, as well as reports of origin, the Anti-Counterfeiting Department issued 14 summary reports (12 in 2013). Based on a body of at least 15 timepieces, these provide a statistical overview of counterfeiting by brand and by model, thereby providing more food for thought as to how the prevention strategy pursued by affected companies can be improved.

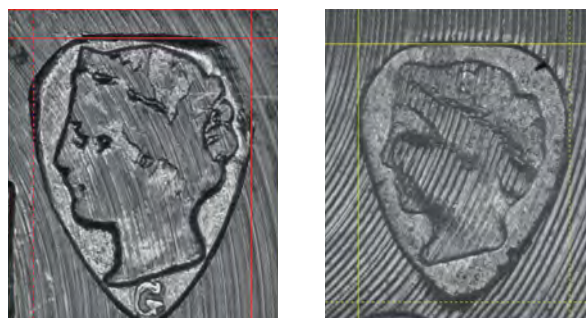


*Swiss movement clone made in China*

In parallel, these summary reports allow risk analysis forms used by Swiss and foreign customs authorities to be updated, as well as requests for intervention. These forms illustrate, for each brand, models considered to be at risk (statistically the most frequently counterfeited) and their origin, with a view to helping customs put in place better targeted, and therefore more efficient controls.

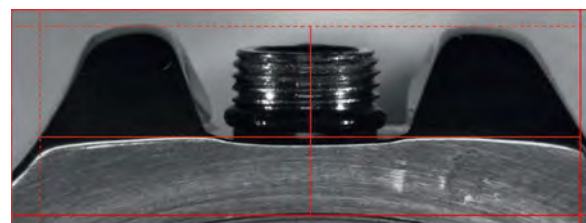


*Misuse of the Swiss geographical indication*



*Precious metal hallmarks (conforming and nonconforming)*

During the year under review, the FH continued its collaboration with students at the School of Forensic Science of the University of Lausanne. To date, around ten Master's theses have been written, each making a contribution to our understanding of the production and distribution methods used by counterfeiters. In 2014, this initiative was extended with the analysis of 97 counterfeit watches mounted on polymer bracelets. These timepieces came from six seizures made in different parts of the world. Based on the concept of chemical profiling applied to narcotics, one student determined the chemical profiles of all the bracelets in order to compare and classify them into groups, with similarity criteria between two profiles making it possible to describe a relationship or link. Such links can then provide information indicating a common origin or a similar manufacturing process, with a view to proposing more detailed hypotheses regarding the production and distribution of counterfeit watches.



*Characterisation of components*

Lastly, thanks to help from a forensic analyst, watchmakers in the Anti-Counterfeiting Department have put in place a new examination process based on the measurement of compo-

nents. In brief, the basic idea is to characterise certain carefully selected parts of the watch, i.e. components or subcomponents, or traces of drilling or milling machining operations. Judicious selection of the element to be characterised, its careful description and precise measurement, can considerably widen the scope of research, thus making it possible with a high degree of reliability to attribute a common source to apparently unrelated counterfeit products.



# Standardisation

The FH, through its NIHS Department and its Standardisation Committee, monitored and steered a number of national (NIHS) and international (CEN and ISO) projects. In the field of national standardisation, the main project was the publication of a new edition of the collection “Extracts from Standards used by the Swiss Watch Industry” issued for the first time in two volumes. The first contains more than 35 standards devoted mainly to watch construction. It also includes a watchmaker’s handbook and numerous examples of technical drawings. The second likewise includes the watchmaker’s handbook, as well as nearly 30 standards relating essentially to the quality control of finished products. Several draft standards also made significant progress, such as those concerning anti-reflective coatings (NIHS 61-30) and the dimensions of screw slots (NIHS 55-04). In addition, work continued within the working group set up to produce new colour samples of gold alloys, based on the standard ISO 8654 - *Colours of gold alloys - Definition, range of colours and designation*, which is itself currently being revised.

In 2014, eighteen NIHS standards were examined by different watch industry experts. Twelve standards were confirmed for ten years and six standards are under revision. The latter concern magnitudes and SI units (NIHS 02-09), winding stems (NIHS 14-02), sliding pinions (NIHS 26-02) and hand-fittings (NIHS 24-10, 24-15 and 24-21).

The NIHS Department is entrusted by SNV (Schweizerische Normen-Vereinigung) with the secretariat of the interdisciplinary committee INB/NK 164 - *Jewellery*, the mirror committee of European or international committees (CEN and ISO respectively). On that account it is responsible, in collaboration with the experts concerned, for coordinating votes initiated by these committees and forwarding to SNV a position which is representative of Swiss industry as a whole. During the year, more than fifteen votes were coordinated in this way.

At a European level, a meeting of the technical committee CEN/TC 347 - *Methods for analysis of allergens* was held in Berlin on 10 and 11 April 2014. The first day focused essentially on amendments to the standard EN 1811 (CEN/TC 347/WG 1), while the second was set aside for the technical committee’s other activities. Generally, draft amendments to the standard EN 1811 are progressing in line with the expectations of the Swiss watch industry. The new standard will provide more clarity for the interpretation of results, as well as additional explanations concerning the uncertainty of measurements. In addition, for articles in direct and prolonged contact with human skin, the only value for the release of nickel which remains present in the standard is  $0.88 \mu\text{g}/\text{cm}^2/\text{week}$ , which sets the upper limit for

the refusal of articles. On 6 November 2014, in Brussels, the kick-off meeting of the “STAIR-EMPIR” committee took place. The aim of the latter is to coordinate metrological research in Europe, in collaboration with CEN (European Committee for Standardization) and EURAMET (European Association of National Metrology Institutes).

As regards international standardisation, the year 2014 was marked for the FH by the organisation of two working days in Basel, on 26 and 27 March. Generally, ISO projects are making satisfactory progress, be it in terms of revision of the standard ISO 1413 - *Horology,-Shock-resistant watches*, the technical specification concerning hard materials, or the standard ISO 3160-2 - *Watch cases and accessories -- Gold alloy coverings -- Part 2: Determination of fineness, thickness, corrosion resistance and adhesion*. Mention should be made finally of the decision to revise the standard ISO 6425 - *Divers’ watches* which will feature on the agenda of forthcoming meetings, in particular at the ISO/TC 114 International Conference which will take place in Lucerne in May 2015.



# Legal, economic and commercial services

## Legal services

During the year under review, the FH was kept very busy once again providing legal assistance to its members. Preferential and non-preferential rules of origin, questions concerning the existing and future Swiss made label, distribution agreements, environmental regulations and many legal issues of a general nature featured prominently during the past year, as well as the points below.

One legislative project was followed particularly closely throughout the year, namely the French consumer law adopted on 17 March 2014, more widely known as the Hamon law after the French minister in charge at the time. The legislation contains a provision which is particularly problematic for industrial sectors, whereby the manufacturer or importer of movables must notify the duration of availability of spare parts to the seller, who in turn must indicate this information legibly to the consumer prior to purchase. This article also stipulates that the manufacturer must supply spare parts to any repairer, whether or not they are approved by the brand. The latter obligation runs counter not only to the selective distribution policy of leading brands, but also to Community legislation on vertical restrictions (EU regulation No. 330/2010, European Commission guidelines). Since the adoption of the law and in tandem with other economic sectors, the FH has lobbied for implementing legislation to rectify these provisions and on 9 December 2014 a decree was finally adopted which makes certain clarifications tending towards the FH position, particularly as regards the principle of selective and exclusive distribution on the French market. It was effectively made clear that the law is enforced without prejudice to the application of competition rules concerning selective and exclusive distribution networks and agreements. In addition, only goods placed on the French market from 1<sup>st</sup> March 2015 will be affected by this legislation. Problems linked to indication of the date of availability of spare parts remain outstanding however. It should be noted also that a new draft bill on energy transition was adopted by the French National Assembly on 14 October 2014, article 19 paragraph 12 of which stipulates that the lifespan of a product must be shown if the latter is present on the French market and has a value equal to or higher than 30% of the minimum wage, a move already strongly criticised by luxury industries.

In relation to the environment, a draft European regulation concerning minerals originating from conflict zones was recently published. It specifies a self-certification mechanism for the importers of listed metals (minerals and con-

centrates containing tin, tantalum, tungsten or gold). Watch manufacturers would be affected a priori only if they imported unprocessed metals. The draft is currently being discussed by European authorities and may yet be subject to wide-ranging amendments.

The FH also adopted a position concerning a risk analysis made by the German authorities for beryllium, a substance which may have applications in the watch industry.

In the United States, two points stand out: firstly, DINP (phthalate) was included in the list of dangerous substances of Proposition 65 in California. All products containing this substance must therefore display a clear warning to consumers. Secondly, the exemption in force until 1<sup>st</sup> January 2015 concerning the prohibited sale of alligator and crocodile hides (article 6530 of the California penal code) was extended to 1<sup>st</sup> January 2020.

In addition, the 2014 edition of the traditional FH legal seminar was held on 25 November in Neuchâtel and featured a large number of participants. The morning was devoted to the problem of dangerous substances and participants listened to talks on European, Swiss and American environmental legislation. The afternoon focused on warranty problems in relation to defects, requirements concerning prescriptions for markings on precious metal watches, and loyalty in commercial communication.



# Relations with the authorities and economic circles

## Watch industry associations

For the sixteenth year in a row, the watch industry associations met at Baselworld at the invitation of the FH for informal exchanges of views. The following countries were represented: Germany, China, France, Hong Kong, India, Italy, Japan and Russia. The participants held an exchange of views on the trend of exports in 2013. The Japanese delegation presented a project designed to encourage young people to develop an interest in the watch industry. The FH for its part returned to the subject of the “Swiss made” dossier and informed the various associations of the adoption by the Swiss Parliament of the Swissness project which introduces in particular a minimum Swiss value component of 60% for industrial products.

The problem of EN 1811 standard relating to the release of nickel was also dealt with. The watch industry associations wish to revise this standard because the present wording leaves some uncertainties. The meeting also turned its attention to the new European Directive on batteries and its interpretation (Directive 2013/56/EU). It has now been clearly agreed that the battery change can be made by a professional; in other words, there is no need to manufacture the product in such a way that the battery can be changed by the consumer.

Denmark has encountered difficulties with the placing of the “crossed-out dustbin” pictogram on electronic watches when the time comes for their disposal (European Directives 2002/96/EC and 2012/19/EU). The combined representations made by the Standing Committee of European Watchmaking (CPHE) and the FH have brought confirmation of the practice of dispensing with the presence of this pictogram on the watch.

Meetings with the watch industry associations enrich exchanges with a view to arriving at shared opinions in the interest of the watch industry as a whole.

## economiesuisse

The FH is an active member of economiesuisse. It is represented on the following bodies: General Meeting (Jean-Daniel Pasche, FH), Committee (Hanspeter Rentsch, Swatch Group, Albert Kaufmann, Richemont and Theda Koenig Horowicz, Rolex), Managing Committee (Hanspeter Rentsch, Swatch Group), Board of Association Managers (Jean-Daniel Pasche,

FH), WTO Working Group, Working Group on matters of origin and customs issues, Group of Experts on intellectual property, Panel of Experts on cyclical economic issues, Panel of Experts on relations with the European Union, Competition Commission.

## Standing Committee of the European Watch Industry

At the invitation of Assorologi, the Standing Committee of the European Watch Industry (CPHE) met in Milan on 2 May 2014. Discussions focused on the proposal to review the “Swiss made” ordinance for watches. Concerning the substance of the matter and subject to the final provisions of the draft text, the Community delegation once again confirmed its intention not to oppose the revision as such and, in particular, the 60% minimum Swiss value content, while on the other hand rejecting the introduction of the minimum 80% Swiss value content for mechanical timepieces. The proposed transitional provisions and a number of new technical and legal aspects resulting from the draft revision were also the subject of a detailed examination.

The meeting provided an opportunity to review the situation and hold an exchange of views on a whole series of European and Swiss regulatory matters involving the watch industry in one way or another: revision of Standard EN 1811 (nickel release), provisions on the supply of spare parts (French law on consumption, known as the Hamon Law), European REACH regulation etc.



*The Members of the CPHE, in Milan*



# FH centres abroad

## FH Centre in Hong Kong

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As usual, the FH Centre in Hong Kong organised a wide range of activities for the benefit of the industry and members of the association. By doing so, it gave practical support to some fifty delegates appointed by FH members who travelled to the region and also to their Asian representatives. This regular assistance covers such varied domains as setting up links with commercial or industrial partners in Hong Kong or China, the search for qualified personnel, support for the creation of companies or personal accompaniment during visits to markets in South East Asia. Some fifteen visits were organised in this way during the year under review (China, Vietnam, South Korea among others). The promotional events arranged in this part of the world were also closely monitored.

In parallel, the FH Centre arranged a great many contacts with the media, local professional organisations and diplomatic authorities and representations throughout the region, especially in Hong Kong, Beijing, Guangzhou and Bangkok.

Finally, the Hong Kong Centre responded to many requests from FH members in the legal field and for the prevention of counterfeiting throughout the zone. In particular, it gave its support and the benefit of its expertise for many brands on the occasion of their registration with the Chinese and Korean customs authorities. Similarly, it conducted several dozen investigations of local companies and each month recorded one or more oppositions to the filing of Class 14 trademarks (horology), both in Hong Kong and elsewhere in the region.

## FH Centre in Tokyo

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In parallel with its activities for the benefit of FH members and their local agents, its relations with the media, local professional organisations, diplomatic representations and its response to various requests from private individuals or companies in Japan, the FH Centre in Tokyo was particularly committed on behalf of the Swiss watch industry to the commemoration of the 150<sup>th</sup> anniversary of diplomatic and trade relations between Switzerland and Japan. Many historical, economic and cultural events were organised on this occasion throughout the year, both in Switzerland and in Japan. For the FH the centrepiece of this commitment was the participation in the Think Time Think Swiss Excellence exhibition at the Tobu World Watch Fair organised in August at Tokyo (see section: Highlights, page 11); just one month earlier the FH Chairman had accompanied Federal Councillor Johann N. Schneider-Ammann on an official visit to the Country of the Rising Sun.

In its daily activities the FH Centre also had to respond to a growing number of requests associated with problems of timepiece repair now that some makers no longer service old models. That is why the Centre continues to manage the Taga Watch Center, an after-sales service facility which covers a number of Swiss brands. It has also created an internet site in Japanese dedicated to after-sales service.





# industry in 2014

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.



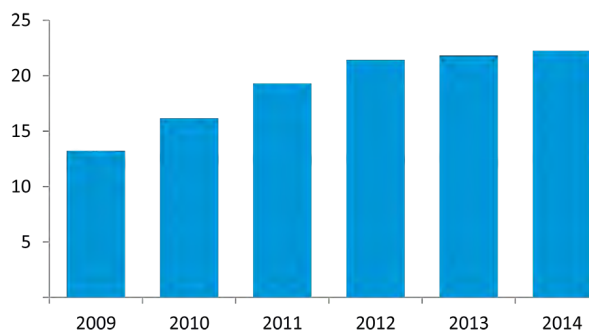
# Watch industry statistics

## General situation

Export statistics point to a good year for the Swiss watch industry in 2014. With a value of more than 22 billion francs, the sector once again recorded an upturn. Results suffered however from continued overvaluation of the Swiss franc and difficulties on some important markets such as Hong Kong and China. Accordingly the value of exports remained very high, a trend also confirmed by an increase in volumes. These positive findings represent the average of all products and intermediaries. Details show fluctuations around these mean values indicating negative trends for some exports. This is the case for a number of markets in Asia and Europe, and for quartz watches for example. Suppliers, often relatively inactive abroad and consequently absent from the export statistics, face a more difficult reality.

## Swiss watch exports

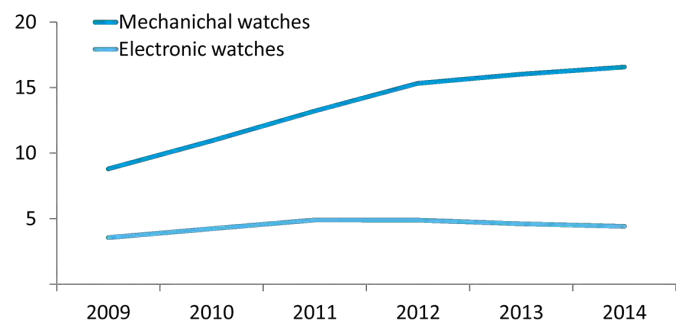
The year 2014 saw growth slow and even dip into the red at the end of the period, however the overall result remained positive. The first half-year saw the value of exports rise by 3.1%, while the increase was only 0.8% in the second half. The fourth quarter was even slightly negative. In total, Switzerland exported the equivalent of 22.2 billion francs, thereby registering the same rate of growth as in 2013, i.e. +1.9%. The watch industry experienced its second year of consolidation with results at a high level. However it faced more risks and a deteriorating general situation. As in 2013, the main markets of Hong Kong and China held back growth, whereas they had been its main drivers in previous years.



Swiss watch exports (in billion francs)

## Exports of wristwatches

Exports by the Swiss clock and watch industry consisted essentially of wristwatches. At 21.0 billion francs, the latter accounted for nearly 95% of the total value of exports. This result exceeded that of 2013 by 1.7%. In parallel, the number of timepieces exported also increased by 1.7%. As a result, 28.6 million watches left Switzerland in 2014, almost half a million more than in 2013.



Exports of wristwatches (in billion francs)

Growth was buoyed by mechanical watches, which posted increases both in value and volume terms (+3.4% and +8.8% respectively). They represented just over a quarter of all timepieces exported and generated nearly 80% of turnover. Quartz watches stagnated in volume terms (-0.9%) and dropped a few points by value (-4.1%).

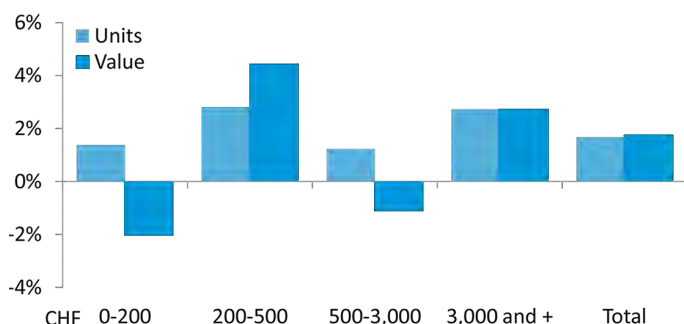
With value and volumes following a similar trend, the average price of exported watches unsurprisingly showed no variation. It remained at 734 francs (export price), compared to 733 in 2013.

## Exports by materials

For the year as a whole, the principal materials recorded moderate and uniform increases. Steel was the main contributor to overall growth in value, with +1.6%. Gold was not far behind (+1.2%), while bimetallic timepieces fared slightly better (+2.5%). In volume terms, steel watches (+0.4%) made no significant gains on their 2013 level. The upturn was buoyed by the category of other materials, whose volumes increased by more than a million units in the space of a year (+14.7%). In contrast, the category of other metals lost a great deal of ground (-41.9%).

## Exports by price segments

Among the different price segments, growth was generally evident across the board in 2014. Watches costing less than 200 francs (+1.4%) accounted for half the increase in volumes, posting 250,000 more units than in 2013. The 200-500 francs category slowed its rate of growth but remained the most dynamic of 2014. Here the number of timepieces was up 2.8% and their value rose by 4.4%. Watches between 500 and 3,000 francs remained relatively stable in relation to 2013. The higher segment recorded a 2.7% increase (both in value and volume terms) and made a significant contribution to the rise in total value.



Exports by price segment (variation compared with 2013)

## Export markets

With a total of 11.8 billion francs, Asia absorbed more than half (53.2%) of Swiss watch exports in 2014. This value was up 2.8% compared to 2013, even though some momentum was lost at the end of the year. Growth on the European market slowed throughout the year, ending with a downturn of 1.2%. America (+4.5%) at last reversed its fortunes, particularly at the end of the period when the rate of growth was particularly dynamic.

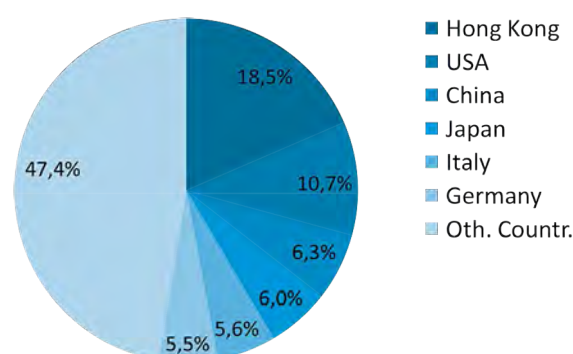
The latter trend was dominated by developments in the United States where, as in 2013, watch exports continued to record steady growth. The months of October and November provided a significant boost, resulting in growth of +6.2% for the year as a whole. Watches costing more than 3,000 francs (+11.2%) clearly influenced this result.

In Asia there were sometimes marked differences between the main markets. After a poor showing in 2013, Hong Kong saw its situation improve during the first half of 2014. This recovery

was undermined by the autumn demonstrations and watch exports lost ground in November and December, with declines in excess of 10%. By the end of the period Hong Kong had attained exactly the same value as in 2013, with no single price category showing a particularly marked trend.

China presented the same profile as Hong Kong, albeit with larger variations. Starting from a lower base at the beginning of the year, it also attained equilibrium at the end of the summer, however growth was curbed by the final two months of the year which recorded a downturn in the order of 27%. The Chinese market ended the year 2014 with a result of -3.1% (after -12.5% in 2013). The effects of political decisions, combined with less marked economic growth, continued to weigh on watch exports. In detail, a cut-off point appeared at 500 francs (export price). Below this limit, the trend was positive in value and volume terms (+5.0% and +5.7% respectively). Above it, value declined by 10.5%.

For Japan, 2014 was a very good year. Growth increased strongly, before stabilising at the end of the period. The value of Swiss watch exports rose by 15.2% despite an increase in the rate of VAT in the spring. Most price segments performed well, however watches costing more than 3,000 francs were the main catalyst for growth.



Main export markets in 2014

Among other Asian markets, Singapore recorded a slight downturn (-1.4%). South Korea registered one of the highest increases (+18.5%), a performance in which Chinese tourists were a contributing factor. Growth was proportional to the price of exported watches. In the Middle East, the United Arab Emirates (+8.9%) remained at a high level, while Saudi Arabia (+11.1%) significantly increased its rate of growth thanks to more expensive timepieces.

In Europe, not all markets showed the same trend. The German market contracted by 6.4%. This is probably an adjustment after three years of high growth, particularly for logistical reasons. The European economic situation also certainly played a role, despite the consumer optimism revealed by a recent study. Watches costing less than 500 francs surpassed their 2013 levels, which allowed a slight increase in total volumes. However the latter fell far short of offsetting the decline in value recorded by more expensive timepieces.

Italy recorded a level comparable to that of 2013 (+0.5%) and this trend remained stable throughout the year. The economic situation was not very favourable, however demand was high for watches between 500 and 3,000 francs.

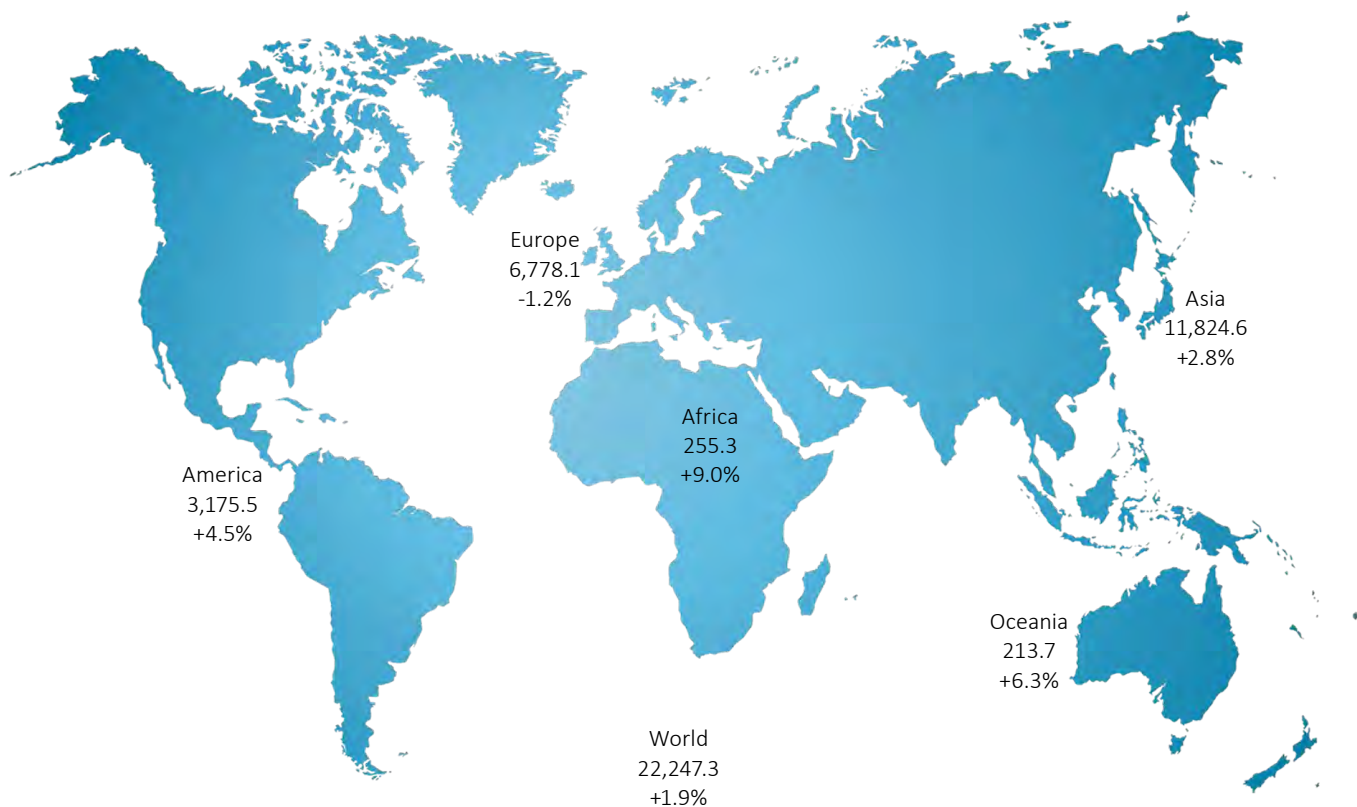
France (-6.0%) recorded a result identical to that of Germany. The profile was not comparable however, since the former remained in the red throughout the year. A recovery

in the autumn was offset by poor results at the end of the period. All price segments showed declines of equal magnitude.

The United Kingdom (+2.3%) and Spain (+9.8%) recorded upturns in 2014, thanks in particular to a dynamic end-of-year performance. On these markets, mid-range watches tended to be the main contributors to growth. Russia (-1.2%) fared slightly less well than in 2013. Here too, mid-range timepieces recorded significant growth, however watches costing more than 3,000 francs lost ground.

### Other exported products

While wristwatches account for the overwhelming majority of watch industry exports, some other products also crossed the border in 2014. In some instances, for example watch cases



*Total value (in million CHF)*

and watch straps, products are sent abroad for processing and return to Switzerland after a number of improvements have been carried out abroad. Such flows are best classified elsewhere.

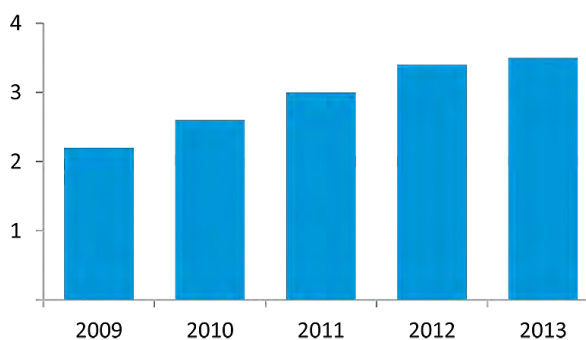
Products exported in the true sense include watch movements, which recorded a value of 252.8 million francs (+6.9%). Alarm clocks and other clocks lost ground, recording a value of 67.2 million francs (-8.8%) and around 75,000 units in volume terms (-17.0%). Approximately 110,000 pocket watches left Switzerland (+5.8%), representing a value of 29.6 million francs (-8.3%).

Overall, watch industry exports excluding wristwatches attained a value of 1.3 billion francs, an increase of 4.4% compared to 2013.

### Watch industry imports

Switzerland was also an importer of watch industry products in 2014. In total, goods valued at 3.7 billion francs came into the country. This represents a year-on-year increase of 7.7%. Watch industry imports should be divided into two groups: finished products, such as wristwatches, and spare parts used for production.

Watches accounted for just under a half of imports, with a value of 1.6 billion francs (+18.3%). Other imported products saw their value stagnate at 2.1 billion francs (+0.8%). This trend is in line with the development of exports.



*Swiss watch imports (in billion francs)*



The background is a solid blue color with a faint, white compass rose pattern. The compass rose features a central needle pointing towards the top. Around the needle, there are concentric circles containing text. The outermost circle lists the days of the week: SUN, MON, TUE, WED, THU, FRI, SAT, and SUN. The inner circles contain numbers, likely representing degrees or minutes, such as 0, 5, 10, 15, 20, 25, 30, 35, 40, 45, 50, 55, and 60. The text is in a serif font and is slightly faded, creating a subtle watermark effect.

# Structure of



# the FH in 2014

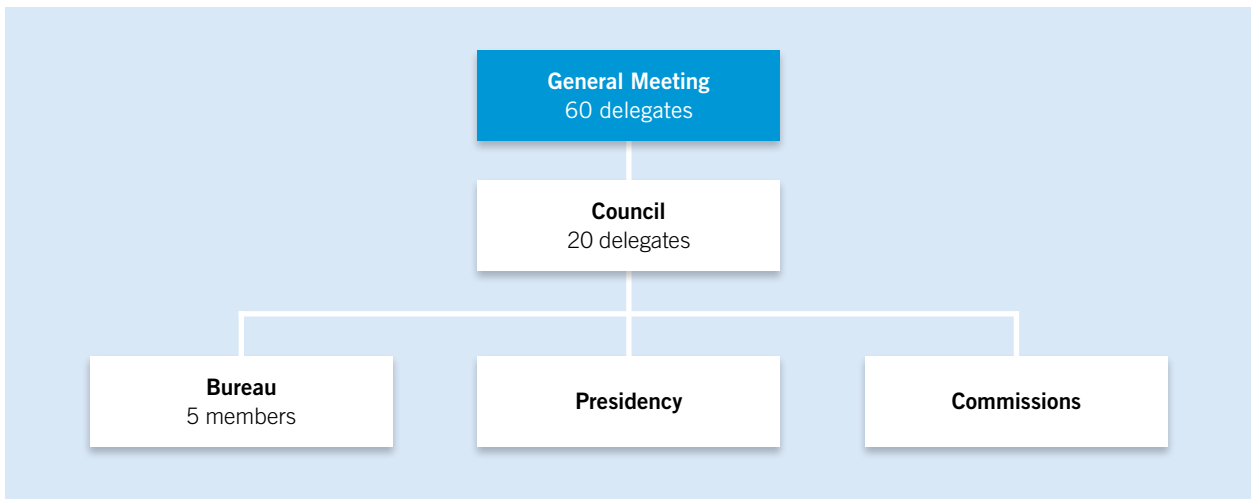
An organisation representative of the Swiss watch industry as a whole, the FH has the following main tasks and objectives: helping to defend and develop the sector, establishing a permanent link between its members in order to promote their shared interests, representing the Swiss watch industry in its 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 2014

On 31<sup>st</sup> December 2014, the FH included 482 companies, associations and institutions (approximately 90% of the Swiss watch industry manufacturers), including 239 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 31<sup>st</sup> December 2014, the FH General Meeting was composed of the following delegates (some with more than one vote):

## Jean-Claude Affolter

Pignons Affolter SA

## Marco Avenati

Manufacture des Montres Rolex SA

## Alexander Bennouna

Victorinox Swiss Army Watch SA

## Olivier Bernheim

Raymond Weil SA

## Denis Bolzli

Aéro Watch SA

## Cédric Bossert

Richemont International SA

## Pascal Bratschi

Manufacture des Montres Rolex SA

## Pierre-André Bühler

ETA SA Manufacture horlogère suisse

## Emile Charrotton

SAH

## Pascal Dubois

Dubois Dépraz SA

## Jacques G. Duchêne

Rolex SA (FH Vice President)

## François Durafourg

Pierhor SA

## Christian Feuvrier

Nivarox-FAR SA

## Christian Francesconi

ArteCad SA

## Jean-Paul Girardin

Breitling Montres SA

## David Guenin

Gimmel Rouages SA

## Jean L. Guillod

Guillod-Gunther SA

## Jean Hirt

Estoppey-Addor SA

## Albert Kaufmann

Richemont International SA

## Marc Küffer

Roventa-Hennex SA

## Aldo Magada

Zenith International SA

## Alain Marietta

Metalem SA

## Jacques Mata

Luxury Timepieces International SA

## Franck Mathieu

Bulgari Horlogerie SA

## Pierre-André Meylan

Piguet Frères & Cie SA

## Pierre-Jean Meyrat

Rubattel & Weyermann SA

## Jean-Jacques Némitz

Universo SA

## Corine Neuenschwander

Neuenschwander SA

## Marianne Pandiscia

Multitime Quartz SA

## Hannes Pantli

IWC Schaffhausen  
Branch of Richemont International SA

## Jean-Daniel Pasche

FH President

## Flavio Pellegrini

MGI Luxury Group SA

## Hanspeter Rentsch

The Swatch Group SA  
(FH Vice President)

## Daniel Rochat

Patek Philippe SA

## Philippe Rossier

Simon et Membrez SA

## Manuela Surdez

Goldec SA

## François Thiébaud

Tissot SA

## Claude Vuillemez

Richemont International SA

## Roger Wermeille

Le Castel Pendulerie Neuchâteloise

## Vladimiro Zennaro

Bergeon & Cie 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 31<sup>st</sup> December 2014, le Board was composed of the following members:

**Raynald Aeschlimann**

Omega SA

**Marco Avenati**

Manufacture des Montres Rolex SA

**Alexander Bennouna**

Victorinox Swiss Army Watch SA

**Denis Bolzli**

Aéro Watch SA

**Pierre-André Bühler**

ETA SA Manufacture horlogère suisse

**Jacques G. Duchêne**

Rolex SA

**Christian Feuvrier**

Nivarox-FAR SA

**Jean-Paul Girardin**

Breitling Montres SA

**Jean Hirt**

Estoppey-Addor SA

**Albert Kaufmann**

Richemont International SA

**Marc Küffer**

Roventa-Henex SA

**Alain Marietta**

Metalem SA

**Hannes Pantli**

IWC Schaffhausen Branch of Richemont International SA

**Pascal Queloz**

Oréade SA Manufacture de boîtes

**Hanspeter Rentsch**

The Swatch Group SA

**Daniel Rochat**

Patek Philippe SA

**Philippe Rossier**

Simon et Membrez SA

**Peter Steiger**

The Swatch Group SA

**Claude Vuillemez**

Richemont International SA

# The Bureau and the Commissions

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

At the end of 2014, its composition was as follows:

**Jean-Daniel Pasche**  
FH

**Hanspeter Rentsch**  
The Swatch Group SA

**Alain Marietta**  
Metalem SA

**Jacques G. Duchêne**  
Rolex SA

**Jean-Paul Girardin**  
Breitling Montres SA

The president of the Financial Commission, Pierre Huguenin, 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**  
Pierre Huguenin

**Legislative monitoring Commission**  
Olivier Blanc

**Legal Affairs Commission**  
Jean-Daniel Pasche

**NIHS Committee**  
Jean-Pierre Curchod

**Anticounterfeiting Group**  
Jean-Daniel Pasche



# The Departments and the Services

On 31<sup>st</sup> December 2014, the FH employed 32 people full-time in Bienne (31 in 2013). Its organisation chart is as follows:



# The network of partners

Efficient though its staff may be, the FH would be nothing in the globalised world in which we live 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 Associations

- ♦ All India Federation of Horological Industries
- ♦ American Watch Association
- ♦ Association des fabricants de décolletages et de taillages (AFDT)
- ♦ Association des fabricants suisses d'aiguilles de montres
- ♦ 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)
- ♦ Assorologi (Italie)
- ♦ BV Schmuck + Uhren (Allemagne)
- ♦ Centre suisse d'électronique et de microtechnique (CSEM)
- ♦ Centredoc Centre suisse de recherche, d'analyse et de synthèse d'information
- ♦ Chambre française de l'horlogerie et des microtechniques (CFHM)
- ♦ China Horologe Association
- ♦ Comité des exposants suisses à Baselworld
- ♦ Comité permanent de l'horlogerie européenne (CPHE)
- ♦ Contrôle officiel suisse des chronomètres (COSC)
- ♦ Fédération de l'horlogerie (France)
- ♦ Fédération romande des consommateurs (FRC)
- ♦ Fondation de la Haute Horlogerie
- ♦ Fondation Qualité Fleurier
- ♦ Fondation WOSTEP
- ♦ Groupement des fabricants d'aiguilles de montres
- ♦ Hong Kong Watch Importers' Association
- ♦ 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 Relojería
- ♦ Korea Watch and Clock Industry Cooperative
- ♦ 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 Uhrenfabrikanten (VDU)

## Federal Administration

- ♦ Bureau central du contrôle des métaux précieux
- ♦ Commission des experts douaniers
- ♦ Direction générale des douanes (DGD)
- ♦ Institut fédéral de la propriété intellectuelle
- ♦ Office fédéral de la santé publique (OFSP)
- ♦ Office fédéral de la sécurité alimentaire et des affaires vétérinaires (OSAV)
- ♦ Présence suisse
- ♦ Secrétariat d'Etat à l'économie (seco)



## Chambers of commerce

- ◆ Alliance des chambres de commerce suisses
- ◆ Arab-Swiss Chamber of Commerce and Industry (CASCI)
- ◆ International Chamber of Commerce international (ICC)
- ◆ Swiss-Chinese Chamber of Commerce
- ◆ Swiss-Indian Chamber of Commerce
- ◆ Joint Chambers of Commerce (Russia, Ukraine, Kazakhstan, Belarus, Kyrgystan, Moldova)
- ◆ Swiss-Asian Chamber of Commerce
- ◆ Swiss Business Council Abu Dhabi
- ◆ Swiss Business Council Dubai
- ◆ Swiss Chamber of Commerce in Japan

## Economic organisations

- ◆ BUSINESSEUROPE
- ◆ economiesuisse
- ◆ Switzerland Global Enterprise

## Technical organisations

- ◆ Centre technique de l'industrie horlogère française (CETEHOR)
- ◆ Ecole d'ingénieurs ARC
- ◆ International Electrical Committee (IEC)
- ◆ Tokyo Watch Technicum, Japon

## Customs and police organisations

- ◆ Agenzia delle Dogane, Roma
- ◆ 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
- ◆ Organisation mondiale des douanes
- ◆ Police cantonale de Neuchâtel
- ◆ Police cantonale du Jura
- ◆ U.S. Customs and Border Protection

## Organisations involved in standardisation

- ◆ Association française de normalisation (AFNOR)
- ◆ Association suisse de normalisation (SNV)
- ◆ 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)
- ◆ Korean Agency for Technology and Standards (KATS)
- ◆ Standardization Administration of China (SAC)



### Anticounterfeiting organisations

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- ◆ Anti-Counterfeiting Group (ACG)
- ◆ Brandowners Protection Group (Gulf Cooperation Council)
- ◆ Institut de police scientifique, Lausanne
- ◆ Istituto di Centromarca per la lotta alla contraffazione (Indicam)
- ◆ The Anti-Counterfeiting Network (REACT)
- ◆ Union des fabricants

### Legal organisations

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- ◆ 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)





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

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