JEWELRY

Swiss watch exports in May decline 9.7pc

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Vacheron Constantin Overseas timepiece captured at New York's Grand Central

By STAFF REPORTS

Swiss watch exports continued to decline in May, according to the Federation of the Swiss Watch Industry's monthly report.

Trends remain negative for the sector with a value drop of 9.7 percent compared to the year-ago, bringing the export total to $1.66 billion. The Federation of the Swiss Watch Industry reports that over the first five months of 2016, the export level was lower than it was in 2012.

Stunted growth
May's results also indicate a decline in precious metals at a rate of more than 20 percent. In terms of volume, steel timepieces saw a decrease of 4.3 percent and gold-steel a drop of 4.7 percent.

Exports for the sector were driven by sales in Hong Kong and the United States. Sales in Hong Kong, for example, totaled $197 million, a decrease of 16.8 percent, whereas the U.S. saw a 2.1 percent decline in sales for a total of $179 million.

Japan, despite its favorable market, recorded declining sales while Europe, considered "the last pocket of growth" saw decreasing sales over the last three months. Italy, France and Germany have all recorded downturns, while the UK suffered slightly less due to an unexpected surge of exports, including clocks of a high value.

Watch by Jaeger-LeCoultre

Also of note, the Federation of the Swiss Watch Industry found that the $500 to $3,000 timepiece range has been mostly unaffected by the general downward trend. Watches priced below $200 are faring slightly better than their up-market peers.

Timepieces retailing at more than $3,000 have seen double-digit decline.

Elsewhere in the sector, Tiffany & Co.'s worldwide net sales were lower than the year-ago first quarter, reflecting a decline in all regional markets except Japan.

Tiffany's management attributed the decline to "softness" in spending by local consumers and tourists. Also, due to a decline in the operating margin, the jeweler's net earnings were lower than the year prior and an improved gross margin was offset by a lack of sales leveraged on operating expenses (see story).