

JEWELRY

## Unsavory export results continue for Swiss watchmakers

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*Still from Jaeger-LeCoultre's film for its Reverso timepiece*

By STAFF REPORTS

The Federation of the Swiss Watch Industry had expected a recovery in the fourth quarter, but watch exports instead saw the steepest drop for the entire year.

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In the month of October Swiss watch export value decreased by 16.4 percent compared to the year-ago in October 2015 at 1.7 billion francs, or \$1.6 billion at current rates. Swiss watchmakers are going up against waning interest, a move from analog to digital and economic factors that have stumped exports.

### Tricky times

In its monthly report for October, the Federation of the Swiss Watch Industry noted that the variation over the ten months of 2016 is now at -11 percent.

Low-end timepieces, those priced at \$200 or less at time of export, saw the steepest decline. Watches in higher price brackets did not fare with those priced \$200-500 and \$500 to \$3,000 reported declines of 14 and 16 percent, respectively.

High-end timepieces, priced at more than \$3,000 recorded a decline in value of 16.2 percent. The segment's volume decrease by 10.2 percent in October as well.

By market, the Federation of the Swiss Watch Industry said that the declines were heavy, and countries that did report a progression were not enough to have an impact on the month's totals.



*Image courtesy of Eleven James*

Hong Kong's decline was cut by half when compared to September, but the figure remained negative. The United States also posted a substantial reduction.

In China, exports continued to recover and posted positive results for October. The United Kingdom has also benefited from the lower parity of the pound sterling since the Brexit vote in June.

Elsewhere in Europe and Asia, watch exports recorded a sharp drop with the exception of South Korea. A decline of 1.2 percent was seen in the country that has recovered strongly since the summer.

As the Swiss horology industry wades further into troubled waters, 82 percent of the sector's executives have said they hold a pessimistic outlook for the category's future, according to a Deloitte survey.

The Swiss watch industry has seen a decrease in value and volume of exports over the last 14 months, with exports totaling 9.5 billion for the first half of 2016 down from 10.2 billion in 2015. While there are many factors impacting horology, ranging from decreases in tourism, new laws in markets such as China and currency fluctuations, understanding industry outlook alongside brand and consumer trends can prove useful to Swiss watchmaker's navigating a volatile climate ([see story](#)).

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