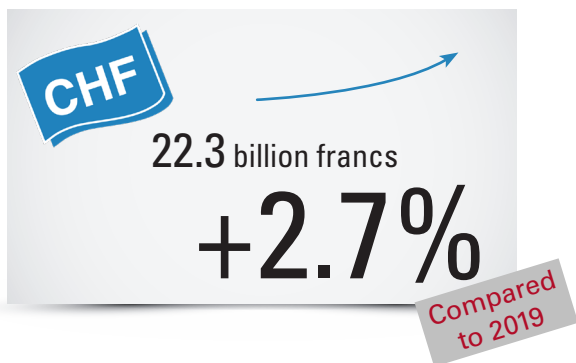




# THE SWISS AND WORLD WATCHMAKING INDUSTRIES IN 2021

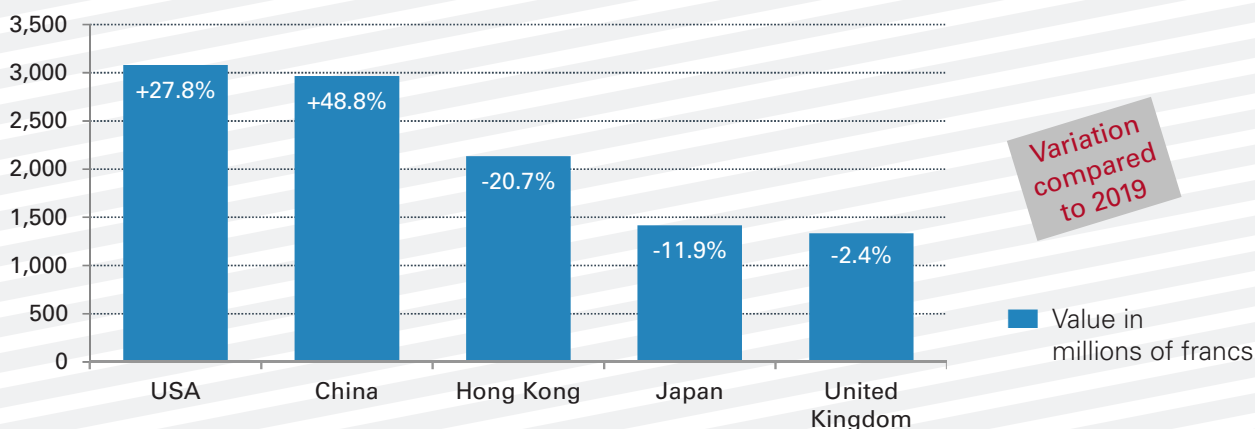
## SWISS WATCH INDUSTRY

### SWISS WATCH EXPORTS

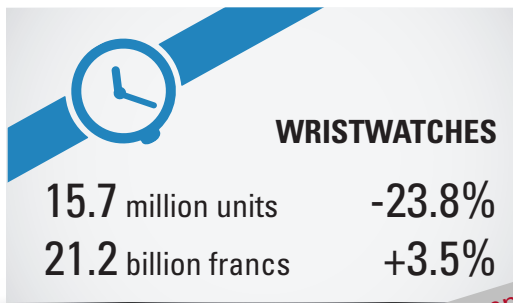


The return to pre-crisis levels as early as September and positive performance in the fourth quarter produced the best-ever annual results for the sector, at 22.3 billion francs, 2.7% higher than in 2019 (+31.2% compared with 2020) and a 0.2% improvement over the 2014 record.

### MAIN MARKETS

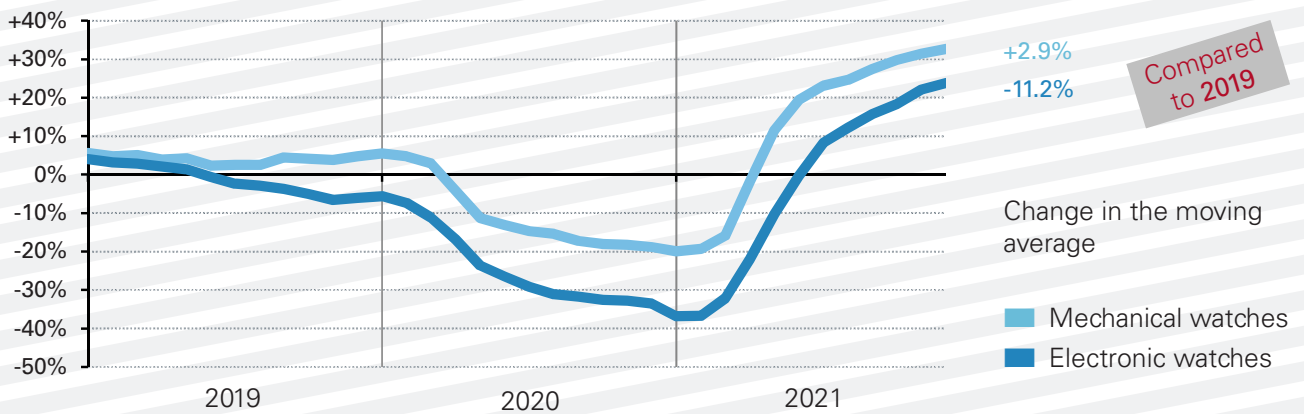


**SWISS EXPORTS OF WATCHES**



Exports of wristwatches increased by 3.5% compared with 2019, to 21.2 billion francs. The number of items, however, continued to fall, to 15.7 million. This is a decline of 4.9 million (-23.8%) compared with 2019.

**TYPES OF WATCHES**



**Export prices**

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

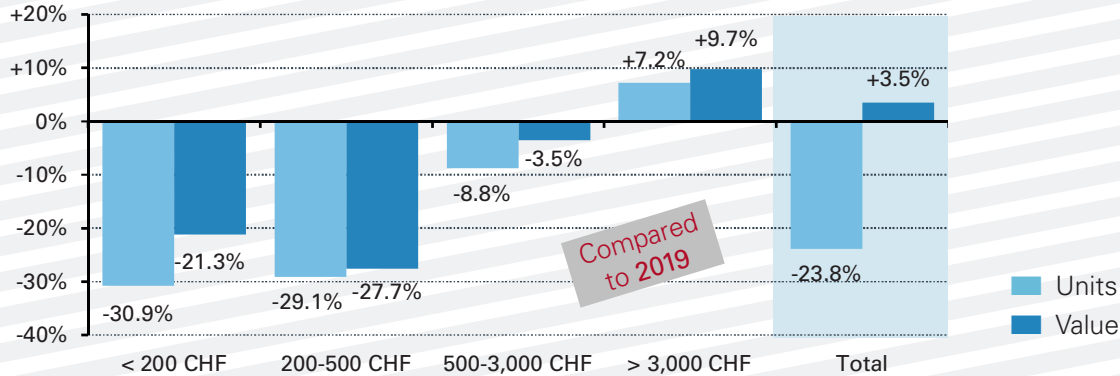
**Watches by price range**

Watches priced at less 500 francs (export price) fell sharply, accounting for over 95% of the decline in volumes, with a 25.1% drop in their export value. The decline in value for watches priced between 500 and 3,000 francs was significantly less marked (-3.5%), while watches priced at over 3,000 francs grew by 9.7%.

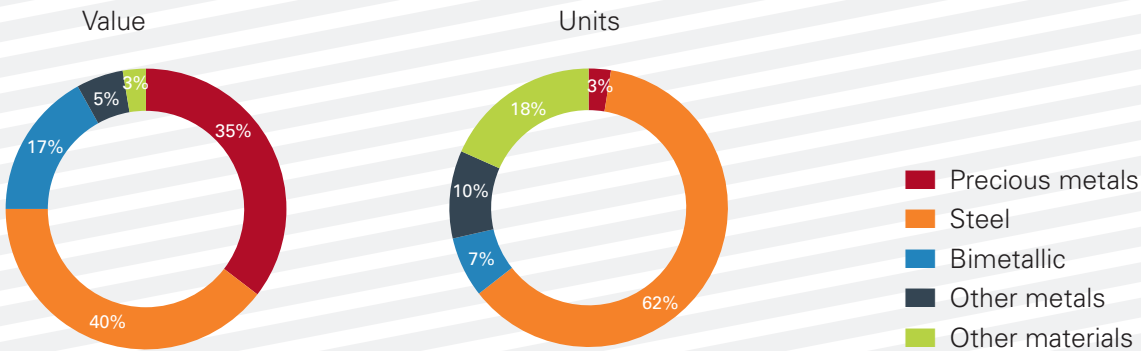
**Trend of the different materials**

The groups of materials that saw the highest decline in volumes were steel (-21.4%) and the Other materials category (-37.4%). Value was driven mainly by watches made from precious metals (+7.8%) and steel (+2.9%).

**WATCHES BY PRICE RANGE**



**WATCHES BY MATERIALS**



**Main markets**

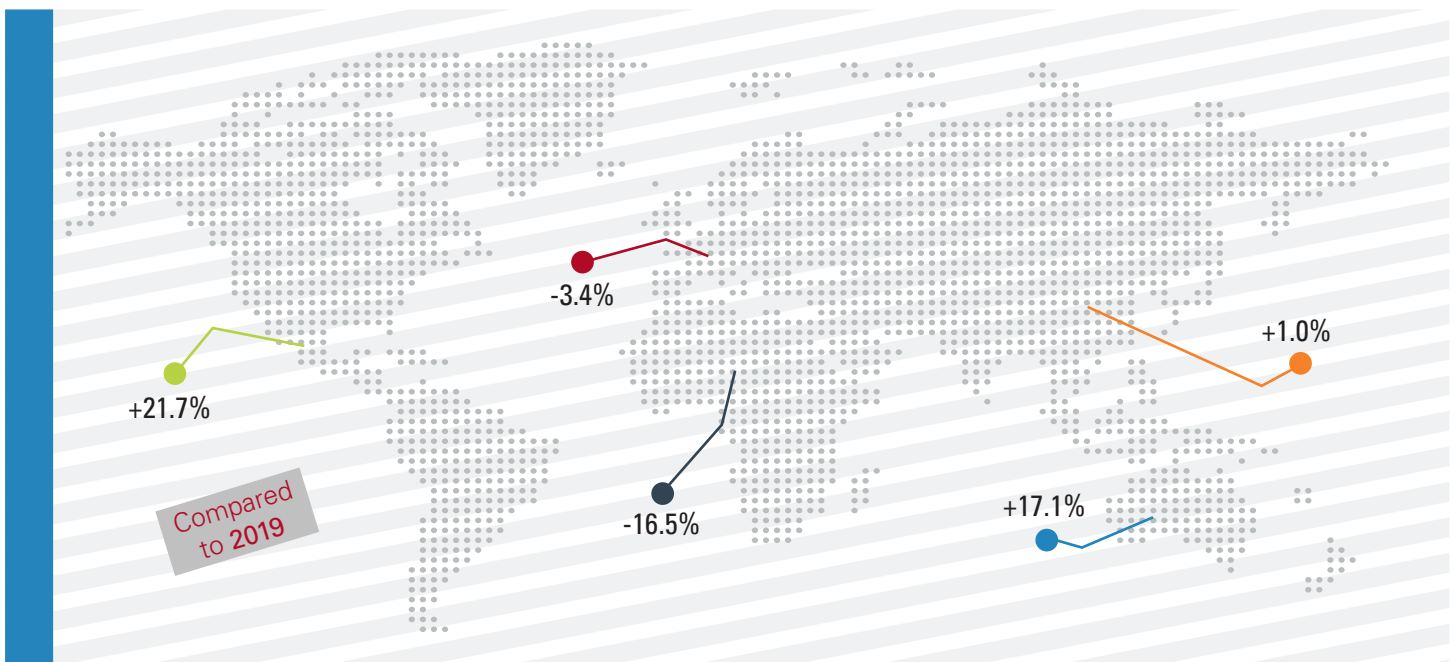
Among the main regions, America (+21.7% compared with 2019) recorded the strongest growth thanks to the United States, absorbing 17% of Swiss watch exports. In Asia (+1.0%), growth in China was offset by often marked declines in most other markets on the continent. Its market share was 52%. Europe fell overall (-3.4%), with a market share of 29%.

The United States (+27.8%) witnessed remarkable growth throughout the year and was once again the leading market for Swiss watch exports. China (+48.8%) came in just behind, thanks to continuing steady growth. Between them, these markets

represented 27% of total value and accounted for most of the growth observed.

Hong Kong (-20.7%), Japan (-11.9%) and South Korea (-18.7%) all saw sharp falls. Conversely, Singapore (+0.6%) returned to its 2019 level, while the United Arab Emirates (+6.4%) outstripped it.

In Europe, the United Kingdom (-2.4%) fared better but still declined and Germany (-5.9%) recorded a notable fall, while the situation remained challenging in France (-11.2%), Italy (-11.5%) and Spain (-12.9%). The Netherlands (+12.6%) grew strongly, probably for logistical reasons.



## WORLD WATCH INDUSTRY

### World watch exports

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

The Covid-19 pandemic again created a challenging context for most of the main producing or exporting regions in 2021.

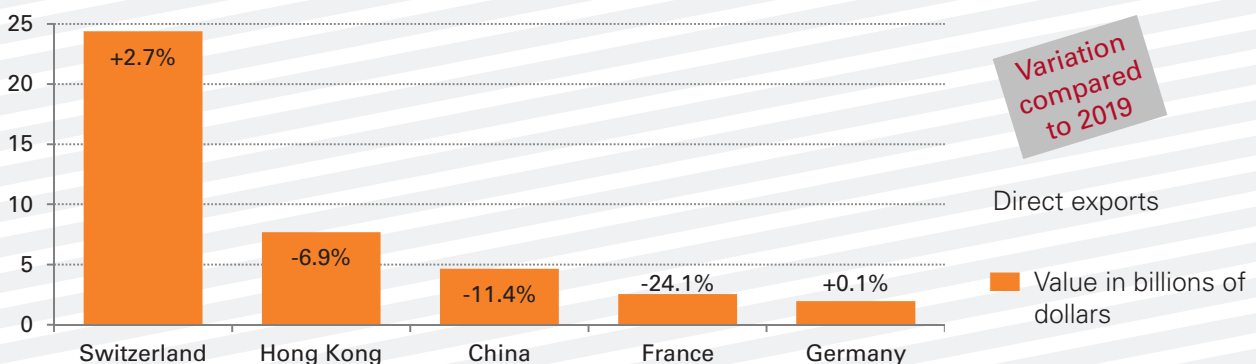
Swiss watch exports, however, were less severely affected and have already exceeded their pre-crisis levels, increasing by 2.7% compared with 2019 (excluding the effect of foreign exchange rates). At USD 24.4 billion, they represented 45% of global trade, increasing to over 50% if re-exports from Hong Kong are deducted.

Trade with Hong Kong, the majority of which is made up of products in transit, amounted to USD 7.7 billion, a fall of 6.9% compared with 2019, in local currency. The main destinations for re-exports were China, the United States, Macau, Switzerland and Japan.

Business in China failed to return to its pre-pandemic level in 2021, with watch exports totalling USD 4.7 billion, a decline of 11.4% compared with 2019. A third of this trade transited through Hong Kong, while the remainder was mainly directed at the United States, Japan and Switzerland.

French watch exports or re-exports saw one of the sharpest declines, amounting to USD 2.5 billion, a fall of 24.1% compared with 2019, in local currency. Germany, however, regained its pre-crisis level in local currency (+0.1%), generating value equivalent to USD 2.0 billion.

### MAIN EXPORTING COUNTRIES AND TERRITORIES



#### Values and variations

Results of watch industry exports and imports at global level are expressed here in dollars to facilitate comparison between the main players. On the other hand, the variation rates are calculated using data stated in local currencies in order to eliminate foreign exchange effects.

**World wristwatch exports**

China remained by far the largest exporter of watches by number of items. It did not, however, return to its pre-crisis level, following the fall recorded in 2020. It exported 427.9 million watches in 2021, or 33.6% fewer than in 2019. The average price of these products was USD 5 (export price).

Logically, re-exports from Hong Kong fell last year, reflecting the performance of the main global players. Ultimately, 160.1 million watches were shipped abroad (-19.1% compared with 2019), at an average price of USD 36.

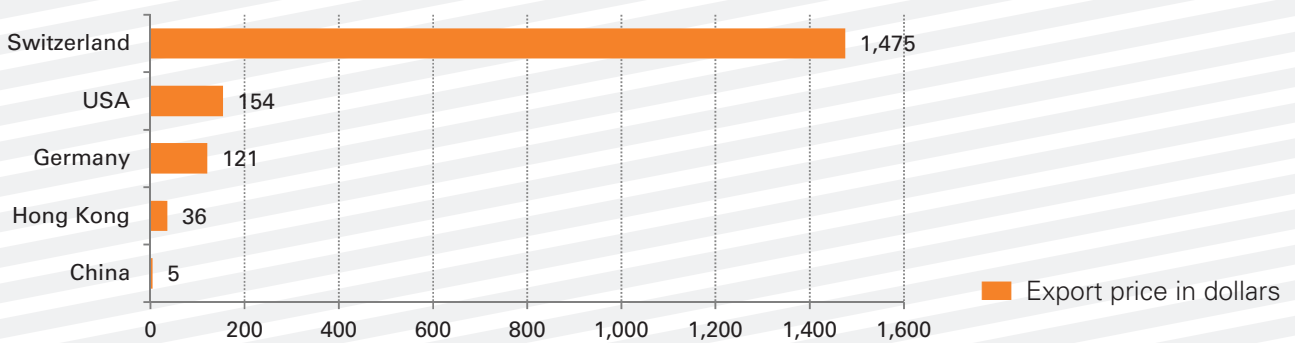
Switzerland followed the same trend, with a fall of 23.8% compared with 2019, to 15.7 million items. The average price again increased sharply, to USD 1,475 compared with USD 1,256 the previous year and USD 998 in 2019.

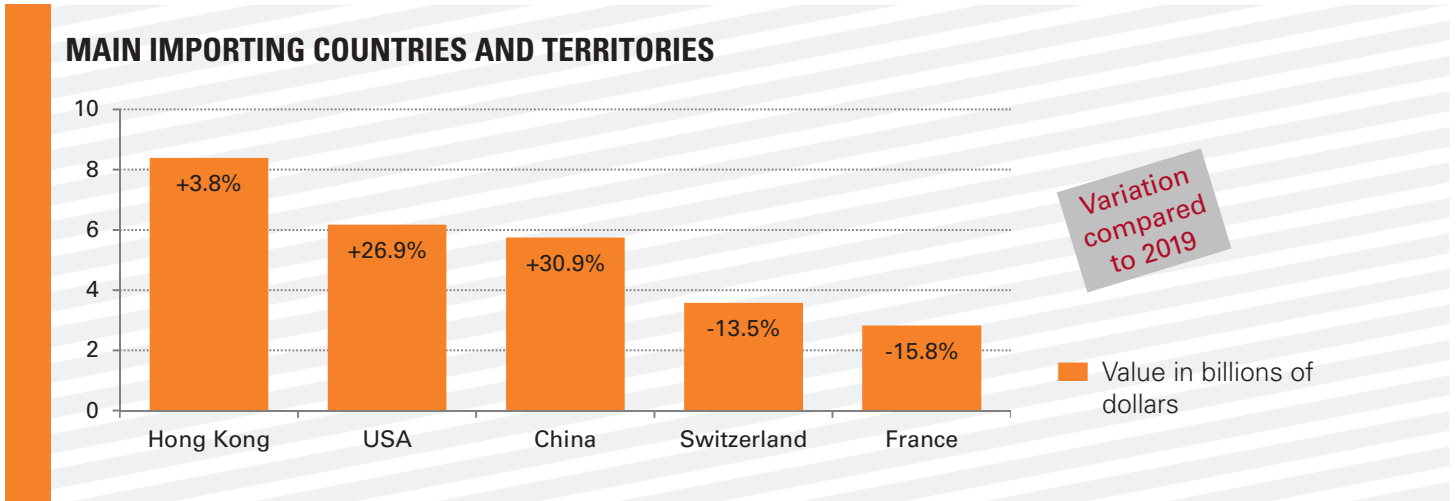
**MAIN WRISTWATCH EXPORTING COUNTRIES AND TERRITORIES**

	Millions of units	Variation
China	427.9	-33.6%
Hong Kong	160.1	-19.1%
Switzerland	15.7	-23.8%
Germany	13.6	-19.9%
USA	8.8	-21.8%

*Compared to 2019*

**AVERAGE PRICE OF EXPORTED WATCHES**





**World watch industry imports**

As a major hub for the main producing companies, Hong Kong achieved a high level of watch imports, valued at USD 8.4 billion (+3.8% compared with 2019, excluding the effect of foreign exchange rates).

Strong growth in the American market returned the United States to second place in terms of global watch imports. The US absorbed the equivalent of USD 6.2 billion in 2021, an increase of 26.9% in local currency.

China followed close behind, at USD 5.8 billion and growth of 30.9%.

Despite its increase in activity, Switzerland reduced its reliance on imports (-13.5% compared with 2019, to CHF 3.6 billion). The sharpest declines were in watch cases and wristlets, in particular in the improvement sector. Imports of foreign watches also declined, but to a lesser extent.

France improved its position slightly, to fifth place (USD 2.8 billion, -15.8% in local currency), to the detriment of Japan, which saw a more marked decline (-18.3% compared with 2019).