

Luxury Strength Drives Growth in Swiss Watch Trade



Swiss timepiece exports rose 11% to CHF 24.83 billion (\$26.79 billion) in 2022 as a robust high-end market outweighed challenges in China.

“Watches benefited in broad terms from the strong demand for luxury products and the increase in global wealth,” the Federation of the Swiss Watch Industry said Tuesday.

Exports returned to pre-pandemic levels in 2021 and have continued to grow solidly since then, despite declines in two key markets, the trade organization explained.

Shipments to China dropped 14% to CHF 2.56 billion (\$2.77 billion) for the 12 months as Covid-19 lockdowns dented mainland demand, while supply to Hong Kong fell 11% to CHF 1.91 billion (\$2.06 billion), it reported. US demand drove the overall increase, with exports to the States jumping 26% to CHF 3.89 billion (\$4.2 billion).

“The unfavorable economic context had only a limited influence on the business market, while the health situation had a more direct impact, especially in China,” the federation said. “The geopolitical situation in Russia also had limited consequences, of around 1%, on the annual result.”

Shortages of raw materials and labor proved a further obstacle, as did higher costs and the lengthening of lead times, it added.

In December, Switzerland’s global watch exports increased 6% year on year to CHF 2.02 billion (\$2.19 billion), supported again by US orders. Overall growth was slower than the average for 2022 as China’s decline accelerated. Higher-value pieces containing precious metals generally outperformed lower- and mid-range models.

“Despite ongoing uncertainties, the prospects for Swiss watchmaking remain favorable,” the federation concluded. “Solid foundations and continuing steady demand should drive growth in 2023. A high baseline and the level of risk will imply a lower, but still significant, growth rate than in 2022.”

Image: Luxury watches in a store at the Galleria Vittorio Emanuele II, Milan, in 2018. (Shutterstock)