

Swatch Group Gains as China, Hong Kong Reopen



Sales at Swatch Group grew in the first half of 2023 as the opening of borders in Asia drove a recovery in demand for luxury jewelry and [watches](#).

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Revenue rose 11% year on year to CHF 4.02 billion (\$4.68 billion) for the six months, the Swiss conglomerate reported last week. Sales jumped 18% at constant exchange rates, with currency fluctuation affecting the final figures.

Sales of jewelry and watches grew 12% to CHF 3.85 billion (\$4.48 billion). Other revenue came from electronic systems and corporate activities. Group net profit surged 56% to CHF 498 million (\$580 million).

“The first half of 2023 was characterized by the lifting of the last travel restrictions in Asia, which resulted in significant sales increases in local currencies in most major markets,” the owner of Omega, Tissot and Harry Winston explained. “In addition to the expected recovery in mainland China, with a clear double-digit increase, tourism destinations such as Thailand or Macao in particular benefited from the rapid rise in travel activity.”

Business in Hong Kong has “completely revived, resulting in a tripling of sales,” while European markets also saw strong growth, the company added. Sales in North America “developed extremely well, particularly in the lower- and medium-price segments,” in which growth was in the high-double-digit percentages.

Swatch Group has had erratic results in recent years because of its high exposure to China and Hong Kong. The company had [predicted a rebound](#) this year after a challenging second half of 2022 amid lockdowns and Covid-19 waves.

“Group management sees excellent growth opportunities in local currencies for the second half of 2023 in all regions and price segments,” the company continued. “The group brands will introduce many innovative products on the market, especially — but not only — in the lower- and mid-range segments. The only cloud on the horizon remains the unfavorable currency environment.”

Image: An Omega watch. (Shutterstock)