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## PRESS RELEASE

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### **Worldwide demand for jewellery and watches from Germany New inspiration expected from BASELWORLD 2017**

Pforzheim/Basel The year got off to a promising start for the German jewellery and watch industry at the Inhorgenta trade show in Munich, much like 2016, and thus set the scene for the upcoming world-leading exhibition Baselworld, which takes place in the traditional exhibition city of Basel from 23 to 30 March 2017.

Although the 2016 year-end sales statistics for the production of jewellery and watches in Germany evidence the high productivity and innovative power of the manufacturers and their creative workforce, a realistic assessment of their performance is not entirely straightforward. This is because only companies with 50 or more employees are required to report sales figures to the Federal Office of Statistics, whereas all companies generating 500,000 EUR or more are included in the export trade volume figures.

The Pforzheim-based German Federation of Jewellery, Watches, Clocks, Silverware and Related Industries, *BV Schmuck und Uhren*, 60% of whose member companies have less than 20 employees, consider the smaller companies to be the sales mainstays of both the jewellery and watch industries. The slogan "Small companies are actually the major players in both sectors" sums it up neatly.

Current Federal Office of Statistics figures for the jewellery, gold and silverware companies with more than 50 employees put the turnover in 2016 at € 361 million, a decline of nearly -2% over 2015 (€ 368 million). The number of reporting companies sank from 19 to 18, with a corresponding fall in the number of employees of almost -1% to 2030. The same basically steady trend is evidently also observable in the smaller companies with up to 20 employees, as an internal member survey conducted by *BV Schmuck + Uhren* has revealed. Here, some 80% of companies reported unchanged or slightly improved sales last year, which points to a marginally better position in the general business development of this sector.

Then again, in the export trade, which involves a majority of the companies, the annual sales for 2016 rose by nearly 9% over 2015 to some € 2.6 billion. Taken in relation to the annual sales of the larger companies with at least 50 employees, this figure shows the huge economic muscle of the smaller firms. Almost 78% of the foreign trade was with European customers, and about 10% each with Asia and the Rest of the World.

The decline in import sales of jewellery, gold and silverware shows that the global recession, in some cases fairly severe, has not left the German market situation unscathed, with imports falling by -3.2% to € 1.77 billion. This is a far cry from last year's comparison of 2015 to 2014 which

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recorded a hefty 13% rise. 40% of the import sales can be attributed to Europe, 50% to Asia and 10% to the Rest of the World.

### **Watches maintaining a steady annual increase**

In 2016, the German watch manufacturers with more than 50 employees successfully maintained their upwards sales trend that has been ongoing for years (€ 431 million), though by a reduced margin of 1.5% over 2015. The 16 companies further expanded their workforce by 2.7% in 2016. This means that in just five years, the number of employees has grown by about 1000 to 2800 at the end of 2016!

Nevertheless both the export and import of watches – as in many other countries – are showing a clear tendency towards the minus range. This is probably due to changes in travel behaviour in international tourism as well as shifting global political processes. Thus the export trade slumped by -17% compared with 2015, to € 1.67 billion. Three-quarters of the watches went to European customers, a fifth to Asia and a mere 5% to customers in the Rest of the World.

Even more dramatic was the decline in watches imported to the German domestic market, a fall of -20.5% to just € 1.96 billion. 70% came from Europe and 30% from Asia.

The import of watch movements, however, remained relatively stable, even rising by +4% to a value of € 34 million. Nearly 80% of the movements come from Switzerland and some 20% from Asia.

As far as the production and export of watches is concerned, in Basel international experts will be closely watching the number one watchmaking country, Switzerland, which last year suffered particularly painful losses. Whether the watch manufacturers and the foreign trade will manage to stop this downward trend, will be revealed to some extent at least at Baselworld 2017. This is likely to have a fairly significant effect on the general exhibition climate, which in turn will benefit the German manufacturers. They have good reason to be thoroughly optimistic on the basis of their robust figures from the previous year. What's more, they are also less dependent on the high-priced, cyclically sensitive luxury segment, as is the case with the numerous Swiss manufacturers, for example.

And ultimately the *BV Schmuck + Uhren* member companies are counting on the creative inspiration that will presumably be triggered in the coming weeks and months by the varied programme of events put on by the City of Pforzheim to mark "250 Years of the City of Gold".

It was in 1767 that Grand Duke Karl Friedrich of Baden gave permission for a watch and jewellery factory to be built in Pforzheim. This 'jump start' subsequently helped Pforzheim found numerous other companies and made the city into the pre-eminent centre of the jewellery and watch industry in Germany.

### **BV Schmuck + Uhren**

Federation of German Jewellery, Watches,  
Clocks, Silverware and Related Industries

BASELWORLD 23 to 30 March 2017

The *Bundesverband Schmuck und Uhren* (BVSU) was founded in Pforzheim in 1947. As a lobby group for over 170 predominantly medium-sized member companies from the areas of jewellery, watches and clocks, silverware and related industries, it represents the interests of its members at a national, European and international level. It is responsible for coordinating the federal associations of the German jewellery and silverware industry. In this capacity it is also integrated in international lobbying efforts of the World Jewellery Confederation, CIBJO (*Confédération internationale de la Bijouterie, Joaillerie, Orfèvrerie, des Diamants, Perles et Pierres*). The BVSU also represents the interests of the German watch and clock industry at a European level as a member of the European watchmaking association, the *Comité Permanent de l'Horlogerie Européenne* (CPHE).