



## **PRESS RELEASE**

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### **German jewellery and watch industry hopes for strong impulses at Inhorgenta Munich and Hong Kong International Jewellery Show**

Pforzheim. The German jewellery and watch industry is looking forward to the INHORGENTA MUNICH trade fair from February 16 to 19, 2018, as well as the Hong Kong International Jewellery Show from March 1 to 5, 2018. Most of the German exhibitors are certain that INHORGENTA as well as HKIJS will generate new impulses and promising prospects. "At the first important trade fairs of the year, genuine new opportunities are opening up for creative and innovative manufacturers, especially as long as the domestic and worldwide economy is still as growth-oriented as it is now," emphasizes Guido Grohmann, the Managing Director of the German Association of Jewellery and Watches. "Inhorgenta and HKIJS will be a welcome platform for high-performance companies."

Looking back on 2017, the mood in the German retail sector had deteriorated a little in the second half of the year, according to manufacturers. Also, the Christmas business was not satisfactory for everyone. At the same time, watch sellers, who have smart and connected watches on offer, enjoyed pleasing results in this segment. This trend is confirmed by a recent consumer survey by Inhorgenta, according to which every second German consumer counts smartwatches among the most important future trends in the watch industry.

Several established watch brands have expanded their range with new models. Some additional new brands from the electronics industry are livening up the meanwhile broad market situation and thus provide for sales growth. Classic watch manufacturers who do not want to serve this still young market segment will come under pressure in the corresponding price ranges. In addition, the market is burdened by robust discount sales, mainly by large department stores and not least by dubious sales promotion activities such as the so-called Black Friday. In addition, the competition over the Internet is becoming increasingly massive. "In the past, the customer came in through the shop door, today increasingly through the net," says the boss of a well-known manufacturer describing the current situation. Therefore, this new additional distribution channel is increasingly being used by leading manufacturers.

This is offset by the trend in standard gold goods. Chains, pendants and similar products are growing, especially in the low alloyed sector. Uwe Staib, President of BV Schmuck und Uhren, said: "The export business is very satisfactory for the manufacturers of the German jewellery industry. The North American and Asian markets in particular are developing well." Most companies describe the order book as satisfactory. The precious metals trade, including recycling and semi-finished products, also received positive feedback. The industrial companies are satisfied. That's why precious metals are in good demand.

In order to gain a realistic overview of the sector development, the German Association for Jewellery and Watches has determined meaningful core data in the context of its current company survey, which provide a detailed picture of the second half of 2017 and the prospects for the new year 2018. As a result, just under three-quarters of the companies surveyed reported slightly higher to stable sales in the second half of 2017.

### **Export expectations have risen**

For the current first half of 2018, 40% of companies expect a more favourable sales development and more than half a consistent development, with the more favourable export expectations of more than 40% clearly exceeding the domestic ones with only about 20%. In terms of HR development, one in four companies would like to hire new employees in 2018, provided that the labour market for skilled workers, which is largely empty of skilled workers, still provides it. For the materials used, gold remains unchanged at 57%, ahead of silver, steel and platinum.

"But," said President Uwe Staib, "even more than the revenue expectations numbers, we are currently looking at the striking changes in the watch and jewellery markets, as well as changes in the international fair landscape." The topic of direct sales is becoming increasingly important. The significance of B2B trade or the classic trade concept for brands via distributors and specialist dealers will be put to the test. Thus, fairs are increasingly used as a marketing and communication platform and less as a sales platform. Ultimately, there are several factors that also draw a strong shift in the fair landscape after them.

As a glaring example, Guido Grohmann names Baselworld, the world's leading trade fair, which has lost considerable importance, while almost all other trade fair events around the world have attracted exhibitors and visitors. The best example of this is the growth of Inhorgenta in Munich and HKIJS in Hong Kong. "The people in charge at Messe München and at the Trade and Development Council here in Hong Kong have done very well in recent years. "

### ***BV Schmuck + Uhren***

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The Bundesverband Schmuck und Uhren (BVSU) was founded in Pforzheim in 1947. As a lobby group for over 200 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).