



PRESS RELEASE

German jewellery and watch industry is looking forward to Baselworld 2018 with high expectations

Pforzheim/ Basel. The German jewellery and watch industry is looking forward to the BASELWORLD trade fair from March 22 to 27, 2018. After a successful start at Inhorgenta Munich and the Hong Kong International Jewellery Show the German exhibitors are expecting new impulses from Baselworld as well. "Due to the announced adjustments to the fair, the industry as a whole is pretty anxious to find out what Baselworld will be like. In general, we are coming to Basel with positive expectations, generated from a rather positive economic environment" emphasizes Guido Grohmann, the Managing Director of the German Association of Jewellery and Watches. „Nevertheless, we are concerned about the general development of the fair. While Baselworld was considered to be the leading trade fair worldwide in previous years and also in Germany, we must say that the number of German companies wishing to exhibit at Baselworld has fallen dramatically. If there were still 350 German companies by the year 2008, then this year we only have 68 German participants, 17 of them from Pforzheim and the Enzkreis region. Both numbers have dropped by 50% since last year."

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.

Those facts are verified by the result of the latest statistical report that was issued by BV Schmuck und Uhren in cooperation with the Statista institute. Quite remarkable are the different economic developments in 2017 for watches (negative) in comparison to jewellery (positive).

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.

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.

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).