

PRESS RELEASE: Industry Report 2024

German jewellery and watch industry in 2024: Euro amounts stable, unit numbers falling

The German Association of Jewellery, Watches, Silverware and Supplying Industries (BVSU) presents the first overall statistical figures for 2024. Imports and exports are still running at a high level, but the figures are partly deceptive.

Munich/Pforzheim, 21.02.2025. Germany is in the third year of a prolonged recession, with the economy shrinking again last year by 0.3%. The global crises of recent years have hit Germany's industrial and export-oriented economy hard. The energy crisis was defused to some extent and inflation was contained. There has also been a noticeable increase in real wages, meaning that people have more money in their wallets. Nevertheless, consumer sentiment is poor, the outlook for the retail sector is subdued and weak investment activity is also leaving its mark. In addition, the current uncertainty regarding US economic and trade policy as well as the lack of clarity about the future economic and financial policy course in the run-up to the upcoming general election are currently dampening investment and consumer confidence.

With regard to companies in the jewellery and watch industry, the slump in consumption in key international markets, inflation, high wage levels and, in particular, the high price of gold are causing particular problems. For the 2024 financial year, the industry can still cope with the trend, as the years 2022 and 2023 brought earnings at a high level. Nevertheless, the mood has deteriorated over the course of 2024, even if the statistical figures only partially reflect this actual situation.

The year 2024 in figures

Just in time for Inhorgenta, the Federal Statistical Office published its preliminary figures on February 19. Measured in euros, exports by the German watch industry rose by 3.53% to around 1.872 billion euros compared to the figures for 2023 (1.809 billion euros). The value includes watches, clocks, movements and watch parts from all companies in the

industry that exceed an annual reporting limit of 500,000 euros. The import of watches increased by 0.7% from 2.531 billion euros in 2023 to 2.548 billion euros in 2024.

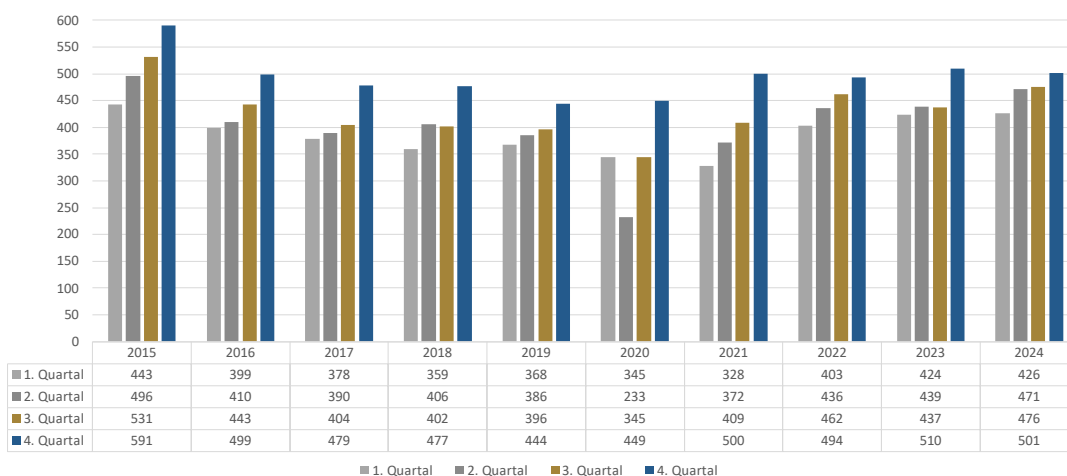


Figure 1: Export Watches on a quarterly basis, years 2015 to 2024 (source: Federal Statistical Office)

A quarterly analysis of exports and imports in 2024 shows that exports of watches were slightly higher than in the previous year in each quarter, while imports were significantly higher than in the previous year in the third quarter and lower than in the previous year in the remaining quarters.

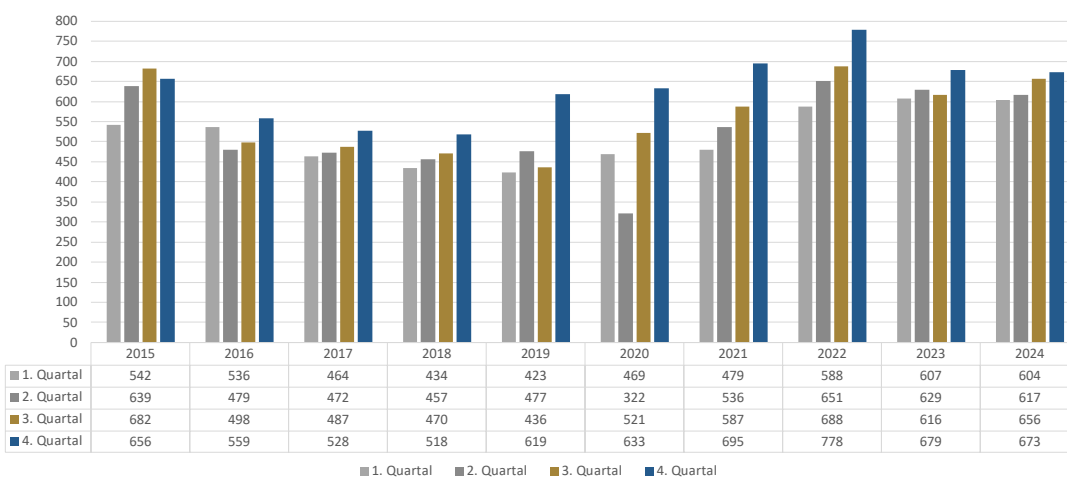


Figure 2: Import Watches on a quarterly basis, years 2015 to 2024 (source: Federal Statistical Office)

	2023	2024	%
Export of watches, clocks, and parts in Mio. Euro	1.809	1.872	+ 3.5%
Import of watches, clocks, and parts in Mio. Euro	2.531	2.548	+ 0.7%

Table 1: Watch Industry figures, comparing 2023 to 2024 (source: Federal Statistical Office)

Exports by producers of jewellery, gold and silver products fell by 3.4% year-on-year, from around 5.312 billion euros to 5.134 billion euros. The reporting threshold of 500,000 euros also applies here, regardless of the individual company size; the product groups include finished jewellery, semi-finished products for jewellery processing and precious stones. Imports of jewellery, gold and silver products fell by 2.8% from 4.736 billion euros in 2023 to 4.604 billion euros in 2024.

	2023	2024	%
Export of jewellery, gold, and silver goods insgesamt in Mio. Euro	5.312	5.134	- 3.4%
Import of jewellery, gold, and silver goods insgesamt in Mio. Euro	4.736	4.604	- 2.8%

Table 2: Jewellery industry figures, comparing 2023 to 2024 (source: Federal Statistical Office)

A look at jewellery exports and imports in the individual quarters also reveals a differentiated picture. In terms of exports, the first two quarters delivered a clearly negative result compared to the previous year, while the picture turned positive in the second half of the year, with both quarters up on the previous year.

In terms of jewellery imports, the first three quarters of 2024 were well below the previous year's figures. In the fourth quarter, imports rose significantly in euro terms and clearly exceeded the fourth quarter of 2023.

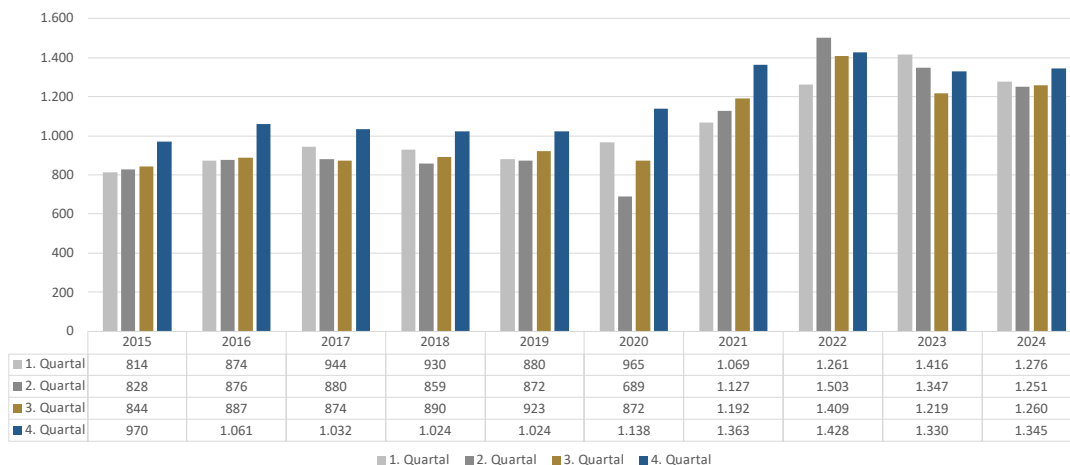


Figure 3: Export Jewellery on a quarterly basis, years 2015 to 2024 (source: Federal Statistical Office)

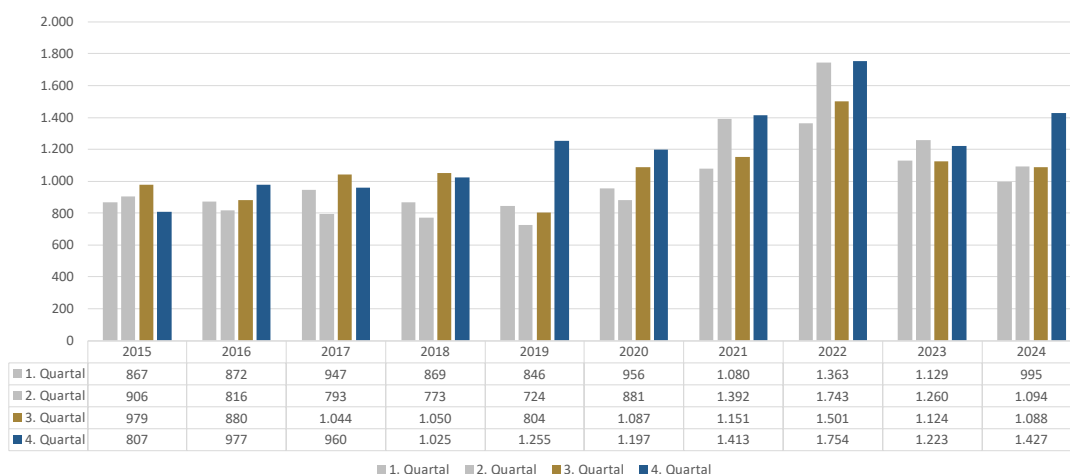


Figure 4: Import Jewellery on a quarterly basis, years 2015 to 2024 (source: Federal Statistical Office)

Overall, the figures for 2024 clearly show that the results were better than the sentiment within the industry reflected. However, especially in the case of the only slightly lower figures for jewellery compared to the previous year, it must be taken into account that a gold price increase of more than 30% over the course of the year makes the results in euros look much better than would be the case if the sales had still been made at 2023 gold prices. In other words, the figures have remained relatively stable, even though significantly less jewellery was sold in units. The effect is also partly transferable to the watch industry, which has seen significant price adjustments in recent years due to increases in the cost of raw materials. Here too, it can be safely assumed that relatively stable euro amounts indicate lower unit sales.

The BVSU's half-yearly internal survey of member companies is also important for assessing the economic situation. It shows, for example, that around 34% of smaller member companies reported a fall in turnover of more than 10% compared to the previous year, while more than 44% reported a fall in turnover of between 5-10%. A further 22% had an increase in turnover of 5 to 10%, while no company reported an increase in turnover of 10% or more. As reasons for this very volatile overall statement, 23% cite the loss or gain of important markets, another 23% the high precious metal prices and around 54% other reasons. In terms of turnover expectations for 2025, 44% of small businesses expect the figures to remain the same, 33% expect turnover to develop less favourably in 2025 and 22% expect it to develop favourably.

The analysis looks somewhat different for companies with more than 20 employees. Here, around 25% of companies reported a decline in turnover of more than 10 % for 2024, 37.5% reported an increase in turnover of 5 to 10%, 12.5% reported no change and 25% reported a decline in turnover of 5-10%. None of the larger companies reported an increase in turnover of more than 10%. As far as turnover expectations in 2025 are concerned, 50% of the larger companies expect a more favourable development, 50% expect the trend to remain the same and no company expects a worse result than in 2024.

Sanctions cause chaos in the diamond trade

The jewellery industry in Germany supports the general decision on sanctions against Russian diamonds, which came into force at the beginning of 2024. However, support is not unqualified, particularly with regard to regulations whose impact is devastating for many global players, especially SMEs, or are designed solely to protect Belgian companies. The decision to impose sanctions on Russian diamonds is a classic example of policy measures taken without a full analysis and thorough understanding of the situation.

The sanctions against Russian diamonds were originally planned for all G7 countries in March 2022, but they were not implemented until January 2024. Until then, the import of diamonds from Russia to Europe, in particular to Antwerp, continued as usual. Under pressure from the Belgian government, the European Council agreed not to impose the sanctions until a new control centre for rough diamonds had been set up in Antwerp. Belgium proposed that all diamonds destined for trade in the G7 countries be redirected to Antwerp in order to verify their origin and mark them as non-Russian. This process was to be carried out using technologies that had not yet matured. Nevertheless, the G7 countries agreed to this plan.

This decision caused worldwide astonishment, especially in the diamond-producing countries, which resisted the G7 dictate. Diamond traders in the G7 countries also protested against the high additional costs that would be incurred by the proposed system.

In response to widespread criticism and after consultations with representatives of the diamond industry that were arranged far too late, the G7 Committee of Experts finally agreed to revise parts of the plan. Although the import ban on Russian diamonds remains in place, many of the originally planned restrictions have been lifted or postponed. The recognition of Antwerp as the sole documentation centre for diamonds was postponed indefinitely. In addition, some countries have recognized that Russian diamonds cut in third countries can be considered diamonds of that country in accordance with the rules of origin of the World Trade Organization. The import ban on Russian synthetic diamonds was partially lifted. The certification of diamonds already in circulation before the sanctions came into force was implemented in a completely uncoordinated manner. Each G7 region has published different requirements for regulating the trade, which leads to further problems.

Outlook for 2025: rolling up sleeves, doing the homework

The assessment of the outlook for 2025 is cautious in light of the unstable situation. Germany and the jewellery and watch industry continue to have great strengths - these include the diverse corporate landscape, our innovative strength and our openness to trade with and for qualified specialists from abroad. This provides a solid basis for a new economic dynamic. Economic players are well advised to roll up their sleeves and look to the future.

For the coming years, however, it will be crucial that important markets such as those in the USA, China and Hong Kong pick up again. But German and European politicians must also finally start to do their homework. In particular, a decisive reduction in bureaucratic hurdles is urgently required. The sanctions against Russian diamonds described above serve as a good example of the urgent need to change course. While the industry in Germany and the other G7 countries supports the sanctions and their implementation, the process is failing because the G7 Technical Commission, which is responsible for the implementation measures, is standing in its own way. In particular, the lack of industry knowledge of the people in charge repeatedly leads to over-bureaucratized dead ends that complicate the system and harm the companies within the G7 much more than the Russian state.

Kick-off to the 2025 trade fair year: Inhorgenta Munich

Despite all the uncertainties, the German jewellery and watch industry is looking positively to the future. One reason for this positive mood, for example, is today's launch of the industry's leading German trade fair, Inhorgenta Munich 2025. Trade fairs are and will remain indispensable for our industry. The 50th anniversary of the trade fair in 2024 was impressive proof of this. There is great anticipation for the 51st edition, which begins

today, and we expect a successful event for the industry and trade in our sector. The internationalization of the trade fair is making great strides, the exhibiting companies offer a perfect cross-section of the industry and have the latest trends in their luggage, and the Inhorgenta supporting program offers a perfect environment for efficient networking.

More figures and information: Announcement of a study for March 2025

BVSU is set to publish a study in March 2025, inviting readers to take a closer look at the multifaceted world of the German jewellery and watch industry. Detailed statistical figures up to the end of 2024 will provide an in-depth insight into the importance of the industry, its development and its potential. Other components of the study include an overview of the regional centres of jewellery and watch production in Germany, the most important trade fairs, trade and professional associations, the trade press and training opportunities in the crafts and industry. The central element of the study is a comprehensive industry directory of jewellery and watch manufacturers, suppliers and service providers, dealers in diamonds, gemstones and pearls, companies in the precious metals industry (refineries, recyclers), dealers in synthetic diamonds, manufacturers and dealers of tools and technical equipment for the industry, as well as wholesalers and distributors.

Annex to the economic report

BVSU figures for jewellery and watches 2024, summary report, as of February 2025

Also available at <https://bv-schmuck-uhren.de>.

German Association of Jewellery, Watches, Silverware and Supplying Industries

February 2025

The German Association of Jewellery, Watches, Silverware and Supplying Industries (BVSU) was founded in Pforzheim in 1947. As a lobby group for over 170 predominantly medium-sized member companies, BVSU represents the interests of its members at a national, European and international level. BVSU is a member of the Federation of German Industries (BDI). It is responsible for coordinating the federal associations of the German jewellery and silverware industry. In this capacity it is also integrated in global efforts of the World Jewellery Confederation, CIBJO. BVSU represents the interests of the German watch and clock industry at a European level as a member of the European watchmaking associations EUROTempus and CPHE. BVSU is a member of the Responsible Jewellery Council (RJC) and the Watch & Jewellery Initiative 2030.