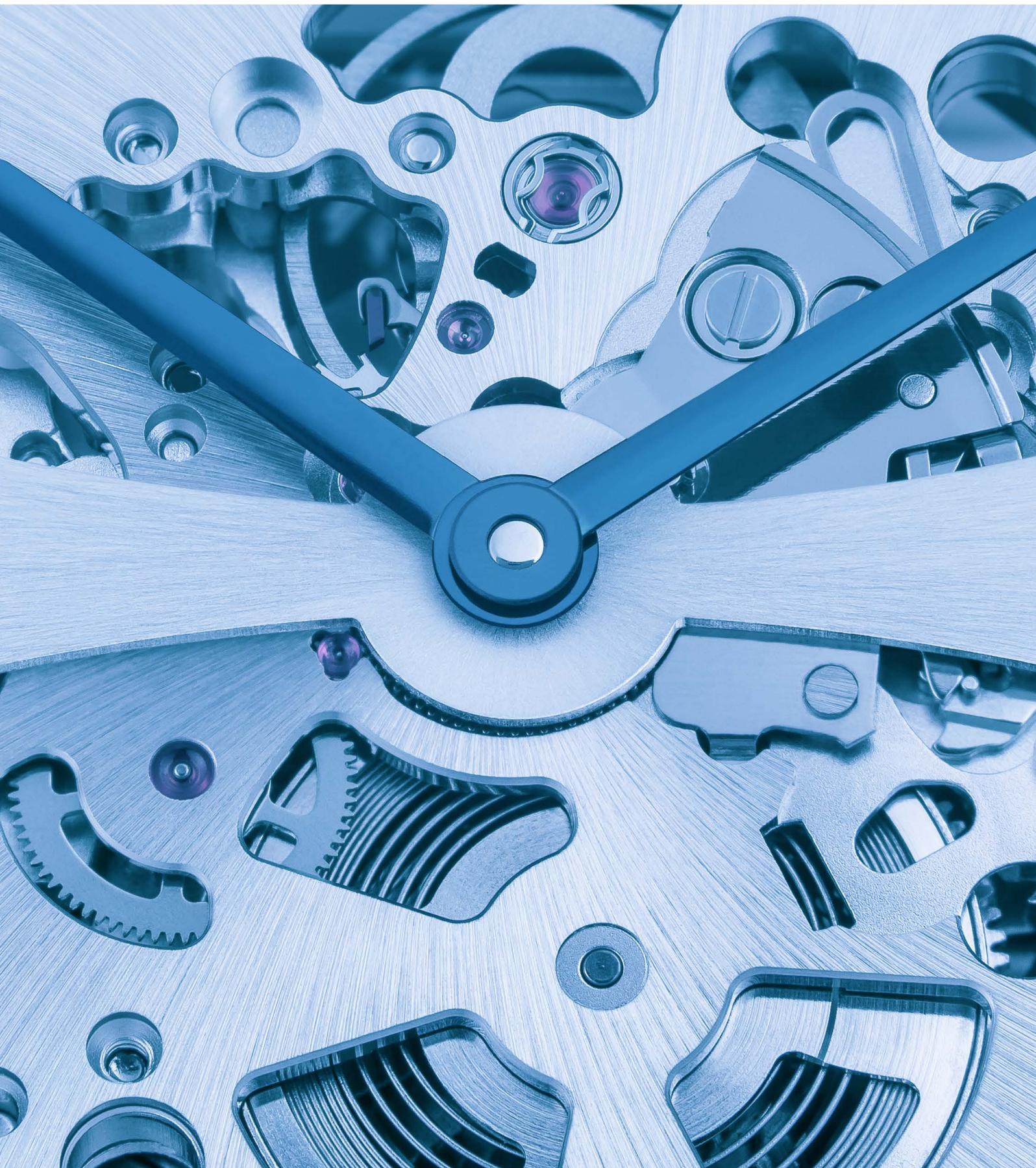




Fédération de l'industrie horlogère suisse FH  
Verband der Schweizerischen Uhrenindustrie FH  
Federation of the Swiss Watch Industry FH

# Annual Report 2016





# FH Annual Report 2016





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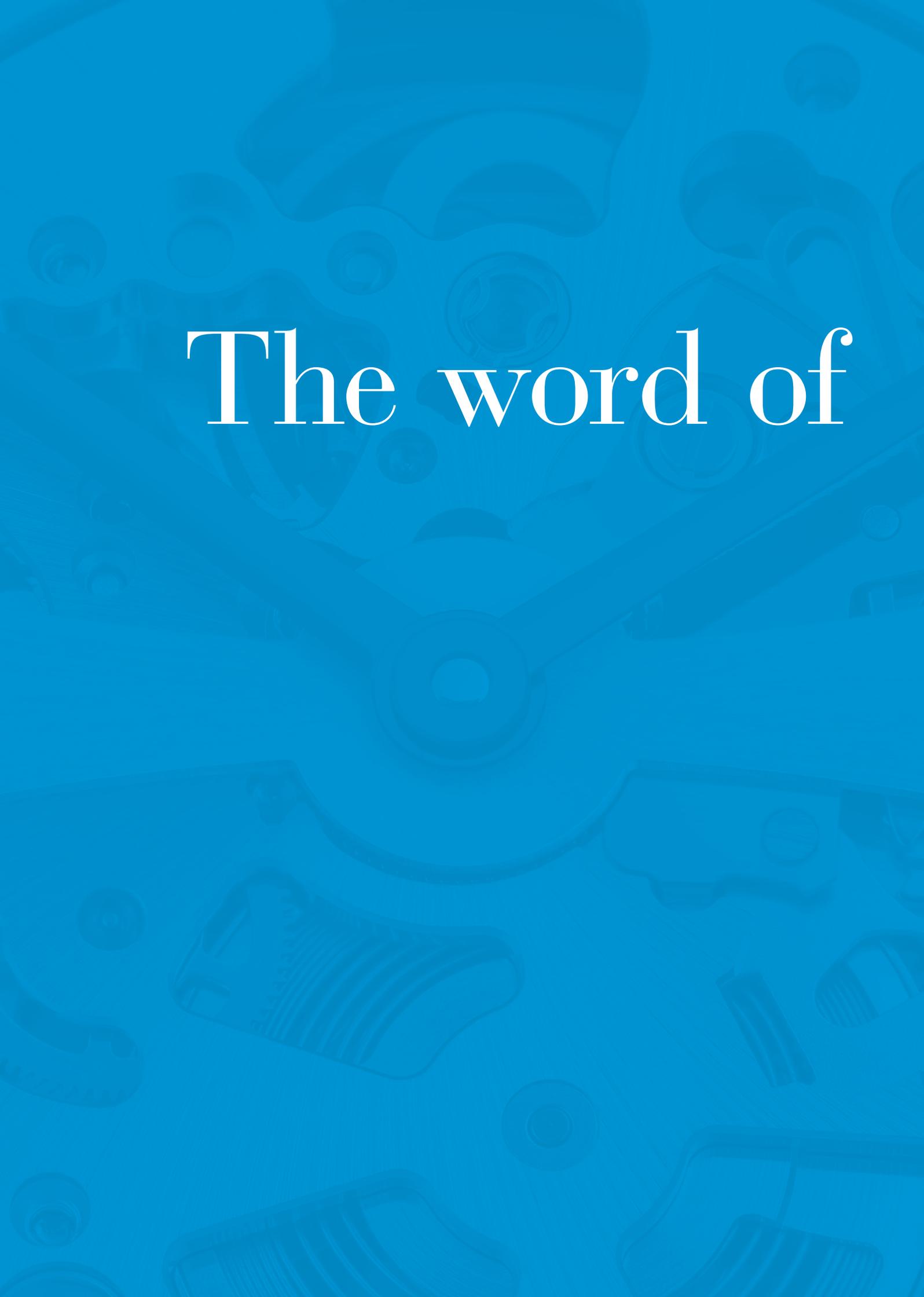
The annual report is also available in French and German in paper or electronic format, upon request.

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The word of

# the President



The Swiss watch industry experienced its most challenging year since 2009 with exports 9.9% lower than in 2015. Admittedly, the year 2016 did not bring any good news which might have reversed the decline: currencies remained volatile and the Swiss franc overvalued, business was still very difficult in Hong Kong and in Russia while terrorist attacks continued in Europe. A

number of votes created a degree of uncertainty, including the referendum on Brexit – even if our industry did benefit locally from the weakness of the pound sterling – and the US Presidential election. Once again we noticed wide variations between the players in the watch industry and once again it was the subcontractors who suffered most on the whole. However, we do expect the situation to stabilize in 2017.

The year saw the adoption by the Federal Council of the revised text of the ordinance governing the use of the designation “Swiss” for watches (OSM) after ten years of work. We are satisfied with this new legislation which will safeguard the credibility and value of the Swiss made label for the long-term. Consequently, it will strengthen future manufacturing activity in our country in order to comply with the new criteria, while at the same time respecting Switzerland’s international commitments.

In order to promote the Swiss watch industry and its “Swissness” – the word watch is synonymous with Switzerland while Switzerland is synonymous with watches – the FH has inaugurated a new travelling exhibition called *watch.swiss*. This deliberately simple name with a modern reference to the web,

sets out to be readily understandable and visually strong. This exhibition has now begun its career with a tour of Japan.

Wishing at all times to keep its members informed of draft laws that may affect them, the FH continued to monitor new technical legislation, in particular REACH in Europe, the Toxic Substances Control Act in the United States and RoHS 2 in China. This Chinese legislation is not easy to understand because the texts are lacking in clarity and precise answers are hard to obtain. Nevertheless, the FH has done all it can to keep its members as fully informed as possible.

True to its mission of promoting trade in the horological sector, the FH has intervened to improve background conditions abroad. In Russia it has obtained an agreement for watches to be treated as complicated products, so imposing normal and reasonable warranty obligations on them. In addition, the FH intervened in Egypt and Brazil to secure simplification of administrative formalities.

On reading this annual report, you will therefore discover the strong commitment made by the FH in favour of the Swiss watch industry. Our industry will stay on course and I remain confident in its future. It has the resources needed to retain its leading ranking in the world: infrastructure, personnel, training and reputation. My contacts with our competitors have shown me that our industry remains the reference. May our branch exploit its advantages to the full!

Jean-Daniel Pasche



# Highlights

# of 2016

The FH continued to work towards the attainment of its priority objectives in 2016 and several decisive breakthroughs were made, beginning with the successful completion of a very long process. After almost ten years of work, the new regulation on the use of the term “Swiss made” in the watch industry was adopted by the Federal Council. In the course of this decade, many battles have been fought to strengthen this label in response to consumers’ expectations. Still in the legislative sphere, but at the other end of the planet, special attention was given to the RoHs 2 China legislation on dangerous substances. This requires compliance by electronic watches with binding new requirements. As part of its mandate to promote the industry, the FH launched a new exhibition named *watch.swiss* based on a new and resolutely modern concept. Last but not least, work to improve background conditions on the markets bore fruit in Russia, Egypt, Iran and Brazil.





# Swiss made

## Entry into force of the revised ordinance

On 17 June 2016, after ten years of work, the Federal Council adopted the strengthened rules on Swiss made in the watch industry embodied in a revised text of the ordinance governing the use of the word “Swiss” for watches (OSM), which was scheduled to enter into force on 1 January 2017, together with the whole Swissness package.

In June 2007, the General Meeting of the FH already accepted a proposal for a review of the OSM and went on to forward this to Federal Councillor Christoph Blocher, Head of the Federal Department of Justice and Police. He answered that the demands of the watch industry would be taken into account as part of the Swissness project designed to strengthen protection of the Swiss made label for the entire Swiss economy.

The parliamentary debates lasted for more than three years (2010-2013). Work to implement Swissness and action to oppose the motions and postulates seeking to weaken and defer entry into force of the project then followed. In September 2015, the Federal Council decided that Swissness would take effect on 1 January 2017.

Nevertheless, the parliamentary initiatives continued in 2016. First of all, National Councillor Magdalena Martullo Blocher tabled a motion in the CER-CN (Commission on the Economy and Licence Fees of the National Council) seeking deferral of the entry into force of Swissness until 1 January 2018. However, the motion did allow the Federal Council to maintain application of the new rules to the watch industry on 1 January 2017 by amending the OSM. On 21 June 2016, the CER-CN held hearings in which the FH took part. Finally, after animated discussion, the motion was withdrawn.

In parallel, National Councillor Jürg Grossen also tabled a motion seeking a reduction of the Swiss value percentage from 60% to 50% in the case of industrial products. The Federal Council firmly rejected this demand, which is likely to be debated in the National Council in the course of the year 2017, in other words after the entry into force of Swissness. This motion has come in for extensive criticism by parliamentarians because it attacks a law even before it has taken effect and one on which no referendum has been held. Nor is it impossible that the motion may be withdrawn before the debates. Aware of the fact that enterprises have been obliged to make their adjustments in time for 1 January 2017, the motion no longer makes much sense and is also prejudicial to Swiss legal certainty.

In brief, the Swissness project has so far been the subject of almost twenty votes in Parliament – including in the committees – to which the FH has made an active contribution.

Turning to the strengthening of Swiss made in the watch industry, the revised OSM lays down two new criteria for the determination of provenance, namely the introduction of a 60% rate of Swiss value calculated on the cost price of the cased up watch and movement and the need for technical development in Switzerland, namely design and prototyping. According to the Swissness legislation, which therefore likewise applies to the watch industry, natural products which do not exist in Switzerland can be deducted from the cost price calculation; these include mineral ores, which are automatically excluded. But the cost of materials which technically speaking could be produced in Switzerland but in fact are not, can also be deducted. The industry concerned is responsible for publishing information about the availability or non-availability of materials in Switzerland. The FH has been entrusted with that task for the Swiss watch industry. On its Internet site, it has published a list of materials that are deemed not to be available in Switzerland. It has also set up a platform for enterprises enabling them to notify materials.

Three different cases can be envisaged in respect of branch lists:

- a. A component is objectively not available in Switzerland. In that case, it will be entered on the list. Producers enjoy the presumption that this component can be excluded from the calculation.
- b. A component is objectively not available in sufficient quantities. In that case, it is entered on the list in proportion to its availability in Switzerland.

On the basis of these two instances, the FH list already contains a number of materials which are published on its Internet site.

- c. A component is objectively available in Switzerland but, for economic reasons specific to a particular case, a producer is unable to obtain deliveries. In that case, it cannot be included on the list because it is objectively available in a sufficient quantity. This is a matter falling within the scope of competition law, in particular the law on cartels, but not under the Swissness regulations.

If a manufacturer or a producer contests the decision leading to the inclusion of a particular material on the list or its deletion from the list, he can appeal to a joint panel made up of one or more experts chosen by the manufacturer who challenges the



*The seminar presenting new criteria for the Swiss made label was well attended.*

decision and by the industry. The FH has adopted a regulation laying down the procedure to be followed in the event of any such contestation.

Another important element concerns transitional measures. Under the terms of the Swissness regulation, products that were manufactured before its entry into force, i.e. before 1 January 2017, can be brought into circulation for the first time until 31 December 2018 at the latest. This provision therefore allows a transitional period of two years to dispose of industrial products manufactured before the end of 2016. Consequently, watches designed pursuant to the OSM in force until the end of 2016 can be sold for two more years while continuing to be identified by the Swiss made label.

The revised OSM lays down special rules for the watch industry which extend beyond this general transitional measure. Firstly, the new requirement for technical development takes effect on 1 January 2019 and not on 1 January 2017. A time limit of two years, i.e. until 31 December 2020, is granted to dispose of products whose technical development took place before 1 January 2019. Enterprises have a little more flexibility in respect of this obligation.

Secondly, a transitional period is allowed for watch cases and crystals. This general two-year measure stipulated by Swissness does not in fact cover foreign components which were still held in stock at the end of 2016 and are intended for use in Swiss watches. Backed by various watch industry sectors concerned, the FH identified the most controversial components in the light of available stocks in an endeavour to arrive at a compromise. This particular instance mainly concerns watch cases and crystals; the provision is therefore confined to these two components whose costs can be excluded until the end of 2018, provided that they were held in stock at the end of 2016.

After all the discussions about this revision and the problems which it raised, the FH is satisfied with the final outcome. This revision does enable the goal that was sought to be achieved, namely that of ensuring the credibility and value of the Swiss made label for the long term by guaranteeing a clear majority of Swiss value in a Swiss watch and by ensuring that the operations which endow the timepiece with its specific characteristics are performed in our country. The label therefore meets consumer expectations, that being essential to maintain their confidence.



# Hazardous substances

## RoHS 2 China and other legislation

For some years now, the FH has been actively following the evolution of national and international legislation on hazardous substances. In the performance of this task it benefits from the support of its legislative monitoring commission made up of technical experts and lawyers working in various member enterprises.

In 2016, one particular piece of legislation created real problems for the FH, namely RoHS 2 China. For the record, RoHS legislation, which has been in force in Europe since 2002 and in China since 2009, seeks to limit the presence of six substances in certain electrical and electronic products, namely lead, mercury, cadmium, hexavalent chromium, polybrominated biphenyls (PBB) and polybrominated diphenyl ethers (PBDE). These substances for which limits are generally set at 0.1% measured in terms of weight per homogenous component – except for cadmium where this rate is cut to 0.01% – are classified as damaging to human and environmental health.

At the time, the first version of the RoHS law in China did not cause concern to the watch industry because it applied only to certain specific electronic products such as mobile telephones. Electronic watches were only affected at the time by RoHS in Europe, but benefited from exemptions for lead and were not required to bear the “CE” markings and the “crossed dustbin” symbol on their packaging and accompanying documentation.

Since then, RoHS legislation in China has sought to move closer to its European counterpart in terms of the targeted products while retaining its own principles. That raises a number of problems and calls for certain adaptations in the watch sector.

RoHS 2 China, which entered into force on 1 July 2016, now concerns all newly manufactured electrical and electronic products placed on the Chinese market, in other words all “*appliances, equipment or accessories operating on a nominal voltage not exceeding 1500 volts direct current (VDC) or 1000 volts alternating current (VAC), and also either operating with or generating electromagnetic fields or current*”. Electronic watches which are obviously covered by this definition clearly do fall within the scope of application of RoHS legislation in China this time.

The new legislation involves in the first instance new stipulations with which electronic watches must comply. Information for the consumer must be provided by means of a green marking for products below the stipulated thresholds and an orange logo containing a period of safe use for products comprising a component which exceeds the limits prescribed for one of the six substances concerned.

All the electronic products which are required to display the orange logo must also specify an *Environmental Protection Use Period* (EPUP), include a table in the instructions for



*The green logo indicates that no limited substance is present beyond the authorised thresholds. The orange logo indicates that one (or more) limited substance exceed(s) the authorised thresholds and shows at its centre the duration of safe use of the product (EPUP).*

use listing the components and substances concerned on the basis of a form predefined in standard SJ/T 11364–2014 and finally indicate the date of manufacture of the product according to certain very precise stipulations. A priori, most watches fitted with a quartz movement are required to comply with the obligations of disclosure and marking, as this type of movement generally comprises at least one component exceeding the permitted limit of 0.1% by weight of lead (brass materials). In general, products must theoretically be marked directly, save for certain exceptions. In our interpretation of the texts, it should be sufficient in the case of quartz watches, given their nature and dimensions, to include the abovementioned logo and table in a prominent position in the instructions for use, either in colour or simply in black and white.

One particular difficulty concerns determination of the period to be indicated in the orange logo. A Chinese standard (SJ/Z 11388-2009) recommends certain methods of calculation, including “practical experience”, which enables the EPUP to be calculated as a function of the possible occurrence over the years of cases of release or mutation of one of the sub-

stances named above for a particular product. Since components made of brass have been used regularly in the watch industry for several centuries, are inaccessible to consumers and in view of the fact that no case of migration or damage caused by this substance has ever been reported, the FH has advised its members to adopt a uniform EPUP of 50 years. However, that presupposes the ability of each manufacturer to guarantee this period for his own product. For further information, notably about the form and content of the compulsory marking, the FH has drawn up an analysis report and stated a position which can be consulted on its extranet.

The FH has also monitored other environmental legislation, e.g. the constant evolution of REACH in the European Union, the transposition of these provisions into Swiss law and the reform of the Toxic Substances Control Act (TSCA) in the United States. The evolution of the latter might, incidentally, have a potential impact on many fields at Federal level in that country. Important pieces of State legislation in the USA, such as Proposal 65 in California, are also being watched very closely by the FH teams.



# *watch.swiss*

## Launch of the new FH travelling exhibition



As part of its mandate to promote the industry, the FH has decided to launch a new exhibition. After more than ten years of activity, it was high time to replace Think Time - Think Swiss Excellence, which bowed out at the end of 2015. The main objective was essentially to propose a new concept and a resolutely modern promotional platform making use of the latest scenographic technologies. This new exhibition has been named *watch.swiss*.

Intended for the consumer, the message put across by *watch.swiss* could not be clearer: watches are a byword for Switzerland and Switzerland is a byword for watches.

The name chosen for the exhibition which is deliberately simple and modern through its reference to the web therefore seeks to be readily understandable and visually strong. While it is simply the literal translation of the message conveyed by the exhibition, it also corresponds to the dedicated Internet site [www.watch.swiss](http://www.watch.swiss).

*watch.swiss* is intended primarily for the general public who will have no difficulty in understanding the information presented. From the scenographic angle, the visitor is totally free to move between the different exhibition modules as he wishes, the aim being to give him an experience guided primarily by instruments such as interactivity, discovery, emotion or play. Attention and interest are maintained and renewed by the variety of media used (films, photos, objects, experiences), and by different levels of reading.





The first such level of reading corresponds to the exhibition itself. The visitor can then take his discovery further and acquire more knowledge by browsing the dedicated Internet site which constitutes the second level of reading. Seven major themes are presented, all linked to the guiding thread which is present throughout the exhibition: the Swiss watch.

Hardly had it left the workshops than *watch.swiss* was flown out to Japan where it was officially inaugurated on the occasion of a tour which took in Tokyo, Osaka and Nagoya between mid-August and the end of September. In Tokyo, the exhibition was shown on the occasion of the Tobu World Watch Fair, organised each year by the department store of the same name in the Ikebukuro district, the biggest shopping centre of its kind in the Japanese capital. In Osaka, the clients of Swissôtel Nankai and the Takashimaya department store, for the most part Japanese and Chinese, had an opportunity to discover the exhibition. Last but not least, *watch.swiss* was set up for ten days at the Mitsukoshi department store in Nagoya on the occasion of the Mitsukoshi World Watch Fair.

**WATCH • SWISS**



# Improvement of trade

## Focus on four countries

### Russia: watches recognized as technically complicated products

On 27 May 2016, Prime Minister Dmitri Medvedev signed Governmental Decree No. 471 which includes watches on the list of technically complicated products. This modification which took effect on 7 June 2016 covers mechanical, electronic-mechanical and electronic wrist and pocket watches that possess more than two functions.

For the record, the consumer protection law of 10 November 2011 did not include watches on this list, which meant, among other things, that the right to a refund had to be safeguarded throughout the warranty period allowed by the manufacturer. These highly unusual provisions were called into question by the FH as soon as the law was amended in 2011, especially because, by definition, watches are technically complicated products and, above all, because of the potential abuse which might have resulted.

After intervening officially on a great many occasions, the FH therefore welcomes this amendment which restores normal conditions concerning the warranty obligations that are themselves in phase with the technical reality of the products concerned.

### Egypt: easing of legalisation requirements

In 2016, the Egyptian authorities adopted a whole series of binding measures to protect the national economy and stabilise the balance of payments. Imposing a severe penalty on Swiss exports, the application of these measures continues to be the subject of many official interventions, especially in the light of the WTO regulations and the free trade agreement in force with ETFA.

In the end, Egypt confirmed by decree that the legalisation of certificates of origin and invoices accompanying goods exported by a country with which a free trade agreement existed was no longer required. This advance may seem minimal in itself but it is first and foremost an outcome of permanent monitoring of the situation by the Swiss authorities with which the FH collaborates closely.

To date, the obligation for registration (enterprises, brands), restrictions on payment transfers and import taxes remain in force. The FH is course at the disposal of its members to intervene in their favour at any time.

### Iran: plea for the financing of trade

The agreement on the Iranian nuclear sector was signed in Vienna in July 2015. Synonymous with the lifting of international sanctions, it paved the way for the restoration of economic relations with Iran. In February 2016, the FH accompanied President Johann Schneider-Ammann on a three-day visit to Teheran during which a number of points were highlighted. Firstly, Switzerland is well placed to respond to the enormous catch-up needs of the Iranian economy. Secondly, Swiss watches continue to enjoy an enviable reputation with Iranian customers; several brands have been active in that country without any interruption for many years. Thirdly, the most optimistic scenario for the sustainable resumption of business must necessarily involve the restoration of direct financial relations between the two countries. However, the major obstacle resides in the maintenance of US primary sanctions which allow no latitude whatsoever: the main Swiss banking establishments are still unwilling to cooperate with Iran, so blocking payment traffic between the two countries. Uniting its voice with that of other representatives of the export industry, the FH has argued in favour of rapid and tangible advances in this field. This argument is of course continuing, while also recognising the fact that the solution rests largely with the OFAC (*Office of Foreign Assets Control*), the US administration in charge of sanctions.

### Brazil: request for administrative simplification

The high level of taxes and cumbersome administrative procedures in Brazil are all too well-known. In this context, imported watches are among the very few products still subject to the obligatory requirement for a physical stamp attesting payment of the tax on industrial products (IPI stamp charged at between 20 and 25%). The affixing of this stamp is anything but anecdotal. It lengthens the time needed for customs clearance by several days, affects the appearance of watches if they feature engraved or transparent case backs and is a source of potential damage to the products concerned. Then again, there are obvious extra costs, to say nothing of the complexity of the procedure which also requires handwritten entries to be made in physical registers.

For all these reasons and at the request of members, the FH therefore made representations to the Brazilian Federal tax authority seeking an exemption from this requirement for imported watches bearing a serial number. The aim here is not to secure abolition of the tax itself; that would have been



*The FH accompanied Johann Schneider-Ammann on a three-day visit to Iran in February 2016*

counterproductive in view of the prevailing economic and budgetary environment in Brazil, but to obtain at the very least progress towards administrative simplification among many other improvements which can still be envisaged. The FH awaits a reply from the Brazilian Federal tax authority.



# Panorama of the

# 2016 activities

As the umbrella organisation of Switzerland's third largest export industry, the FH pursues multiple objectives. These include improving framework conditions for the sector in Switzerland and the rest of the world, tackling the problem of counterfeiting, supporting its members and keeping them, the media and consumers informed. The following pages present a non-exhaustive selection of its activities in 2016.



# Improvement of framework conditions

In line with the actions reported under Salient Facts, the FH continued its efforts to defend the industry's interests. It intervened on many markets on the occasion of negotiations on the conclusion of the new free trade agreements and the review of existing agreements, during official missions (State visits, bilateral joint commissions) or acting on requests made by its members.

Such interventions took place on more than twenty markets including Morocco, Ivory Coast, Azerbaijan, Russia, China, Bulgaria, Kazakhstan, Kirghizstan, South Korea, India, Colombia, Brazil, Argentina, Vietnam and Turkey.

The main subjects included market access conditions, organisation of distribution, protection of intellectual property rights and temporary imports. Some examples of action taken during the year are given below.

## China

Pursuant to the review clause set out in Article 2.8 of the free trade agreement with China which entered into force in 2014, the FH played an active part in the work done by the State Secretariat for Economic Affairs (SECO) with a view to the overhaul of the tariff concessions negotiated initially.

The agreement in force at present makes provision for a majority of the customs duties on Swiss watches imported into China to be cut by 60% below their initial rates by 2023. For their part, customs duties on other less important tariff headings will be gradually abolished by 2018 or 2023 respectively.

A first meeting between Swiss and Chinese experts is scheduled for the spring of 2017 to enable effective negotiations on this central element of the agreement to begin.



*Meeting of the Switzerland-China watch industry working group*

For its part, the bilateral watch industry working group set up under the same agreement and co-chaired by the FH held its third meeting in Bern in November.

The stronger protection of intellectual property rights remained a major topic of discussion. In this perspective, the FH supplied an additional list of the different markets for counterfeit products which have been clearly identified in China and against which it expects specific repressive measures to be taken. Another line of cooperation put in hand is the prevention of counterfeit product sales on the Internet and more specifically control over and intervention against fraudulent practices of some major sale platforms or individual resale agents using these same platforms. The FH has also repeated its willingness to organise training courses intended for the local authorities in China to improve the effectiveness of the remedial action taken. It is worth noting that the FH is already active in this field through its centre in Hong Kong.

Responding to the Chinese request for improvement of the quality and availability of after-sales service on the market, the FH pointed out that in Switzerland training is a matter for the public technical schools assisted by the expertise and investments of the brands designed to meet their own needs both in Switzerland and abroad; the watchmaking firms will obviously continue to deploy these efforts in future.

Last but not least, the FH returned to the subject of the reform of Chinese VAT which was completed in May and more specifically to its concerns over the future of the consumption tax levied on watches, together with the taxes charged on individual purchases made online or on personal imports. The Chinese delegation stated that no change to the existing tax system could be expected before the end of 2017 at the earliest.

## India

Early in June in Geneva under the aegis of the President of the Confederation, Johann Schneider-Ammann, the FH Chairman attended a meeting between Swiss economic circles and the Indian Prime Minister, Narendra Modi.

The representatives of the private sector stressed the great importance which they attach to the Indian market and that country's potential future growth. However, the background conditions still need to be improved, notably the tax system and protection of intellectual property. It would also be in the interest of the two countries for a free trade agreement to be signed.

Early in August the Indian Parliament adopted by a large majority a law paving the way for a unified tax on goods and services based on OECD standards, known as the Goods and Services Tax. The aim is to replace VAT and other internal taxes and accordingly to bring about an ambitious simplification of indirect taxation in force at the level of the central State and constituent states of the Republic, theoretically with effect from April 2017.

While the FH took the opportunity of the fifteenth joint bilateral commission meeting to welcome this major and long-awaited tax reform, it also voiced its concerns over tax neutrality and the genuine simplification of the system. In fact and as was only to be expected the levels of taxation, depending on the classification of the goods and services, will either not be reduced or only reduced very slightly. On the contrary, the risk of a real increase of these charges cannot be ruled out altogether. At the time of writing, four GST rates have been adopted, i.e. 5% (basic), 12% and 18% (standard) and 28%, the latter being applicable in particular to luxury products to which may even be added an additional compensatory tax of 2%. This sets the tone even if the conditional tense must remain the order of the day because the special committee responsible for the entry into force of the new GST still has to act on many aspects of the reform. That is why some observers are pointing out that the April 2017 deadline will prove hard to meet.

Turning to the protection of intellectual property rights, the FH has submitted to the Indian authorities a new list of watch brands which are making unlawful use of the Swiss indication of origin on the Indian market. Although it regularly opposes such registrations, the FH regretted the time taken and the costs involved by the opposition procedures and therefore stressed the need for effective automatic application of the applicable laws, including a far more stringent examination of applications for brand registrations which include the indication "Swiss made".

## Singapore and South Korea

On the occasion of the visit by a Swiss economic delegation, the FH Chairman accompanied the President of the Confederation, Johann Schneider-Ammann, on an official visit to Singapore and South Korea.

Watches rank second among Swiss exports to Singapore behind the sector of "precious stones/precious metals/jewellery" but ahead of chemical products and machinery. Discussions with the *Deputy Prime Minister*, Tharman Shanmugaratnam and





*The FH took part in the official visit by the President of the Confederation to Singapore and South Korea*

the *Minister for Trade and Industry*, Lim Hng Kiang, revealed Singapore's determination to focus more effectively on professional training. They took the view that "Swiss style" apprenticeships are a model to be followed. The City State is having to contend with a high level of immigration which it wishes to bring under more effective control by investing in local human resources.

The *Minister for Trade and Industry* called attention to the excellent reputation of Swiss watches, cooperation between the Swiss brands and local distributors, and stressed the determination to maintain good background conditions for the watch trade in Singapore.

As in the case of Singapore, bilateral economic relations between Switzerland and South Korea are based on a free trade agreement. South Korea has a population of more than 50 million and has experienced years of prosperity with growth rates between 2.3% and 3.3%, led by its export sector: ships, vehicles, electronic goods, chemical products, machinery and textiles. The President of South Korea has launched a plan for 2014-2017 seeking to redirect the economy by placing greater emphasis on private initiative, services and domestic consumption. Another initiative is designed to encourage professional training based on practical work, modelled in part on "Swiss style" apprenticeships.

For the watch industry, reference was made to the unlawful practices to which the "Swiss" indication falls victim in South Korea. Brands containing that label are registered for products which do not comply with the criteria laid down in the Swiss made ordinance. The FH has registered opposition in Korea but the procedures are cumbersome. These brands are misleading to Korean consumers and prejudicial to the interests of our industry. The FH expects the competent South Korean authority (*Register for Trademarks*) to automatically turn down brands containing the words "Swiss" when the Swiss origin of the products concerned has not been demonstrated.

## Mexico

The FH Chairman travelled to Mexico on the occasion of the visit by the President of the Confederation, Johann Schneider-Ammann. The purpose of this mission was to mark 70 years of diplomatic relations between the two countries. Bilateral relations between Switzerland and Mexico are governed in particular by the free trade agreement which entered into force in 2001 between EFTA and Mexico. The latter is Switzerland's second most important economic partner in Latin America after Brazil.

Bilateral economic relations were discussed more specifically during the meeting with the Minister of the Economy, Ildefonso Guajardo. The FH representative called attention to the importance of the country as a market for the watch industry. However, the sale of counterfeit Swiss watches remains a problem. The Minister laid emphasis on the priority attached by the Government to the protection of intellectual property.

Mexico remains by far the most important market in Latin America for the Swiss watch industry ahead of Panama, Argentina and Brazil. The free trade agreement between the two countries plays a full role as a facilitator of trade.

From the watch industry perspective, the highlight of this mission was the signing of a cooperation agreement between the FH and the Office of the Mexican Attorney-General on the prevention of counterfeiting. The signing ceremony took place on 4 November between the FH Chairman and the new Attorney-General of Mexico, Raúl Cervantes Andrade, in the Presidential Palace under the patronage of the President of the Swiss Confederation, Johann Schneider-Amman and the Mexican President, Enrique Peña Nieto. In his official address the latter welcomed the signing of this agreement and stressed the importance of protecting intellectual property and preventing counterfeiting, especially that of Swiss watch industry products.

The aim of this cooperation is in fact to prevent and halt the production, import, storage and sale of products which are in breach of the intellectual property rights of Swiss watch industry enterprises.



*Signing of a cooperation agreement between the FH and the Mexican Attorney General's Office*

## Temporary imports and ATA Carnet

Regularly and over a period of many years the FH has sought recognition of the ATA Carnet by Brazil. In fact the country ratified the ATA Carnet Convention back in 2010 but had failed to designate the national guarantor entity. Clearly the organisation of the Olympic Games in Rio gave the decisive incentive to meet the final requirements and so permit effective recognition of this precious key to the market with effect from 1 July 2016.

As the Swiss industry is a major user of the ATA Carnet, the FH welcomed this entry into force and is continuing to make representations on other markets such as Azerbaijan, Colombia, Kazakhstan, Kirghizstan and Vietnam.



# Information and public relations

## Relations with the media

The FH remains a privileged discussion partner for the media which regularly question it about trends in the industry or on specific watchmaking issues. The revision of the Swiss made rules was the subject of many interviews and articles, as was the general situation of the watch industry. For its part, the FH issues regular press releases.

In addition to regular contacts with the watch industry media and many questions put at the exhibitions dedicated to the industry, in particular the SIHH in January and Baselworld in March, the Chairman gave interviews to the Swiss and international press. He also made a number of speeches, including to the Chamber of Commerce and Industry of the Jura in Delémont, the Italian Watch Industry Association "Assorologi" in Milan, the Bienne High School, the Cartier Watch Industry Institute of La Chaux-de-Fonds, the CIFOM Technical School in Le Locle and the Procure Association in Martigny.

## General Meeting

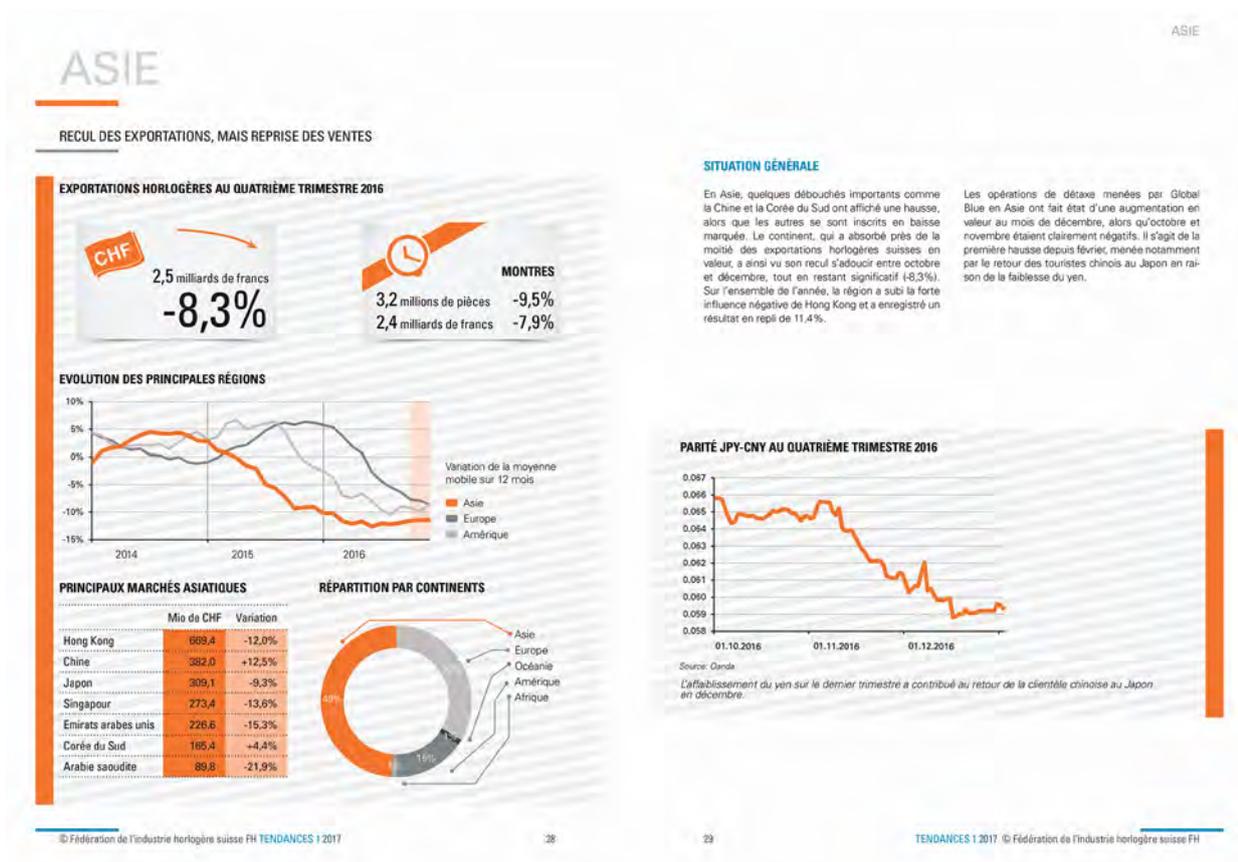
The 2016 General Meeting was held on 30 June in Neuchâtel in the presence of the delegates and members of the FH and many guests. The latter included Councillor of State Jean-Nathanaël Karakash, President of the Council of State of Neuchâtel, Head of the Department of the Economy and Social Action, Local Councillor Thomas Facchinetti, President of the City of Neuchâtel, the Deputy Director in the Directorate-General for Customs, Michaela Schärer, and the Director of economiesuisse, Monika Rühl, who was the day's speaker.

## Berner Dictionary

The FH continued its work to update the Illustrated Professional Dictionary of Horology, widely known as the "Berner Dictionary". This is an enormous body of work, which involves a review to update thousands of definitions and drawings



*2016 General Meeting in Neuchâtel*



### New formula for the magazine Tendances

together with the incorporation of new terms. The project is being led by the FH with the aid of the group of permanent experts whose members are as follows: Bernard and Marlyse Muller, designers and authors of books about watches, François Klopfenstein (ETA), Marco Richon, former curator of the Omega Museum, Antoine Simonin, former director of WOSTEP and publisher of watch books, and Jean-Pierre Golay. The group also calls upon non-permanent experts to deal with specific subjects.

### Watch industry statistics

Watch industry statistics remain an important subject for many journalists, students, financial analysts and other connoisseurs

of Swiss watches. The FH responded to a great many questions on trends in the branch and its future prospects. The numerical data drawn up by the Federal Customs Administration are an essential barometer to assess the progress of business and always attract keen interest.

The quarterly magazine Tendances gives access to more detailed information and a wider analysis of the evolution of the Swiss Watch Industry. A new formula was adopted for this publication in early 2016. This now seeks to broaden its content to include observation of the general context influencing the results of the industry. Issues such as the luxury market, tourism, connected watches and e-commerce are dealt with regularly. The presentation of the document and information has also been redesigned.



*The FH shared the Swiss Exhibitors Committee stand at Baselworld*

## FH Revue

Faithful to its aims, the FH Revue continues to keep members of the Federation and its numerous subscribers informed of news about the Swiss and international watch industry. The FH Info heading kept readers abreast of the activities of the FH (action to prevent counterfeiting, missions and travel by the Chairman, report on the Board meetings, monthly watch export numbers, training of the customs and police authorities etc). This publication continues to be printed in an edition of 1600 copies, twenty times a year.

## Internet site

Benefiting from the new possibilities linked to the extension of domain names since the end of 2015, the FH changed the address of its Internet site to [www.fhs.swiss](http://www.fhs.swiss). Through this symbolic change, it wished to strengthen its Swiss image and underline the importance it attaches to the Swiss made label and the industrial role of Switzerland. In view of our constant commitment to the defence of Swiss made in our country and elsewhere in the world and our efforts made for the past ten years to strengthen the protection of this hallmark, it was only logical to link the FH to the name "Swiss".

The FH Internet site was consulted several million times in 2016. Most of these hits were concentrated on statistical data, the Illustrated Professional Dictionary of Horology (the Berner Dictionary) and news about the latest events at the FH, in watch companies and new products launched on the market.

## Presence at Baselworld

Baselworld, the World Watch and Jewellery Show, brought together 1500 brands and attracted some 145,000 visitors from 17 to 24 March. In cooperation with the Committee of Swiss Exhibitors (representing the 279 Swiss enterprises at the show), the FH was present to serve as an interface with professionals and answer questions put by the media and public. Located in the Press Centre, the Swiss Exhibitors' Committee stand provided a privileged platform for meetings and dialogue

# The fight against counterfeiting

## Scope of activities

In 2016 the FH stepped up the fight against counterfeiting. Performed on behalf of the members of the Counterfeit Prevention Grouping (GA) and the Internet Unit, these activities are the subject of a separate report the main points of which are outlined below. Copies of this report are of course available on request.

## Geographical indications

The FH took many actions to defend Swiss geographical indications in 2016. Examples include measures to prevent unlawful use of the Swiss flag on the Chinese Tmall.com platform which proved successful once again. Following the intervention by the FH a great many Chinese watch brands were obliged to cease using the emblematic white cross on a red background for watches.

## Latin America

2016 was an excellent year in terms of the number of counterfeit products seized in the field. The first anti-counterfeiting operations took place in Colombia where 1,549 counterfeit watches were impounded. Moreover, many seizures by the customs authorities were also followed by the FH in other Latin American countries, foremost among them Chile, Ecuador, Costa Rica, Peru and Paraguay. In Mexico the agreement signed between the FH and the Attorney General's Office stipulates, instead of the need to produce the original watches when copies are impounded, the preparation by the FH of authentication guides for use by the authorities. Now that the obstacle created by the obligation to produce original watches has been lifted, the FH hopes to be able to resume its actions to prevent counterfeiting shortly.

## United Arab Emirates

In the United Arab Emirates, the FH continued its cooperation with the Department of Economic Development (DDED) of the Municipality of Dubai whose staff regularly raid stores selling counterfeit products and increasingly also private apartments or houses used as depots. This cooperation enabled more than 11,400 counterfeit Swiss watches to be seized. In parallel and in cooperation with FH agents the Dubai police force led ten raids in 2016 which enabled more than 69,000 false timepieces to be impounded.



*Storage premises in the United Arab Emirates*

## Greece

A new action programme was launched in Greece in 2016. It was directed largely against counterfeit watches sold on the islands. Following a number of major raids in the past the FH has found that counterfeiters are taking increasing precautions; that in turn makes it very hard to locate the places where they store their products. Nevertheless a large scale operation organized in Athens in December 2016 led to the seizure of more than 100,000 counterfeit watches.



*Record confiscation in Athens*



## Turkey

In Turkey, the FH partners followed 95 cases which involved the impounding of more than 132,000 counterfeit Swiss watches in all. These operations were mainly conducted in Istanbul and the tourist centres on the Western coasts, but also at the country's extreme Eastern border.

## Czech Republic

A particularly welcome decision can be reported in the matter of the responsibility of intermediaries. In a keenly awaited ruling, the Court of Justice of the European Union confirmed the responsibility of the operators of physical markets when they rent out sites to third parties who sell counterfeit products. This decision is the outcome of years of efforts to prevent the sale of counterfeit products on markets in the Czech Republic. It holds out very interesting prospects for action by the FH and its partners throughout the EU.

## Baselworld

As has been the case every year for nearly a decade, several staff members of the FH travelled to the customs zone of Zurich Airport to track down watches wrongly claiming Swiss origin and liable to be exhibited at Baselworld. Surveillance of passenger traffic and cargo inspections enabled a number of watches non-compliant with the regulations to be impounded; hundreds of catalogues were also seized. All these products were subsequently destroyed. The hunt then continued during the exhibition where FH staff visited the different halls to track down potentially unlawful items. In the end the FH intervened on five occasions. In two cases the exhibitors were obliged to empty most of their display cabinets and withdraw all the watches which claimed Swiss geographical indications without any justification; one of them even had to take away its presentation stands which were making unauthorised use of the Swiss flag and remove the Swiss cross and the word "Swiss" from its stand.

## Hong Kong Watch and Clock Fair

The traditional autumn gathering of the watch industry, the 35<sup>th</sup> of its kind, was held in Hong Kong on 6 to 10 September 2016. As has been the case since 2008, the FH set up its surveillance operation on behalf of some 50 different brands. In a

depressed economic environment, the organisers hosted 800 exhibitors from 27 different countries. On site, large spaces remained entirely vacant. Clearly there had been many last minute cancellations and attendance remained sparse from the first day to the last.

Last year the FH teams put 47 files before the Panel, the same number as in 2015. Examination of the results shows a great difference in the treatment of complaints by comparison with 2015. In the year under review the Panel was made up of young lawyers who clearly did not accord the same distinctive force as we do to certain design elements (seven cases were dismissed on grounds of insufficient similarity). In addition, as happens every year and despite the usual precautions, the contentious pieces tend to disappear from the display cabinets immediately before the Panel delegation turns up to make its inspection (14 files were rejected because the contentious pieces were no long on show).



*Hong Kong Watch and Clock Fair*

Incidentally, the fact that the "Swiss made" certification mark was being used by one exhibitor was cited against him; he had been presenting a line of watches which displayed the Swiss designation without any justification. In addition, a more forceful action was conducted against an exhibitor who, under cover of leather strap production, was in fact offering a whole range of counterfeit components under the table. In view of the gravity of the situation the decision was taken to intervene with the customs authorities instead of referring the matter to the exhibition Panel. All the stand equipment was impounded and the owners were led away in handcuffs.

## Awareness creation and training of the authorities

Creation of awareness on the part of the authorities also plays an important role in the counterfeiting prevention strategy pursued by the FH. As usual the FH was able to examine the issue of counterfeiting in the watch branch on the occasion of official economic missions by Switzerland to South Korea, Bulgaria and Kazakhstan. The FH also participated in the bilateral Switzerland-China dialogue on intellectual property. This contact between the two countries was established in 2007 and enables privileged attention to be given to matters linked to the protection of intellectual property that are important to the local Chinese economy. This same issue was also raised within the Switzerland-China watch industry working group set up under the free trade agreement between the two countries.

FH staff members also attended several training sessions for the authorities in Amsterdam, Athens, London, Brussels and the Czech Republic. These seminars give the FH the possibility of making direct contact with customs officers, policemen in the field and other representatives working on the front line who sometimes have difficulty in rapidly ascertaining whether impounded goods are in fact counterfeit.



*Training the customs authorities*



*Exhibition Authen'Tic Tac in Paris*

## Exhibitions against counterfeiting

Making consumers more aware of the problem is particularly important. As a founder member of the Swiss STOP PIRACY platform, the FH was involved in the organization of an interactive exhibition in the Customs Museum at Gandria in the Ticino. This event will remain open to the public until October 2018, enabling large numbers of visitors to be made aware of the abuses of counterfeiting, in particular the many students who visit the museum as part of their school courses. The US Ambassador Suzi LeVine visited the exhibition, so demonstrating her keen interest in respect for intellectual property. Several journalists from the written press and television accompanied her on her visit and media reporting proved particularly interesting. As part of its awareness creation activities the FH is also partnering the Authen'Tic Tac theme exhibition by the Union of French Manufacturers on Counterfeiting in the Watch Industry. This exhibition was inaugurated in September 2016 in Paris.

## Actions on the Internet

2016 marked a turning point in the fight against counterfeiting on the Internet, in particular because of its growing complexity. Algorithms are increasingly being used by counterfeiters to improve the visibility of their offerings. In this way, counterfeit product offers are addressed directly to consumers who have the “best profile” so as to increase the counterfeiters’ profits. They make unashamed use of resources provided by the social networks or platforms. In fact the latter gather data about their users on a massive scale and then make that data available (free of charge or against payment) to sellers or advertisers. Very often these new platforms ask websurfers to connect directly via their Facebook or Google+ identifier; by doing so, they gain direct access to all the information held in the account.



### Sales sites try to capture information about their users

Consequently, a fact of which the websurfer is not always aware, the content displayed on a site, platform or social network is determined entirely by his own profile and the traces which he has left with or without his own knowledge on the Internet; this record has been avidly absorbed, analysed, classified and recorded by companies whose primary purpose is to sell advertising space. As a result websurfers find that their own free will is being manipulated in relation to the content displayed to them (because the social network itself determines what is “good” or “appropriate” for the consumer, depending on his age, gender, geo-location, time of day, *likes*, websurfing history etc.); what is more, people who are trying to combat unlawful offers are not on a level playing field.

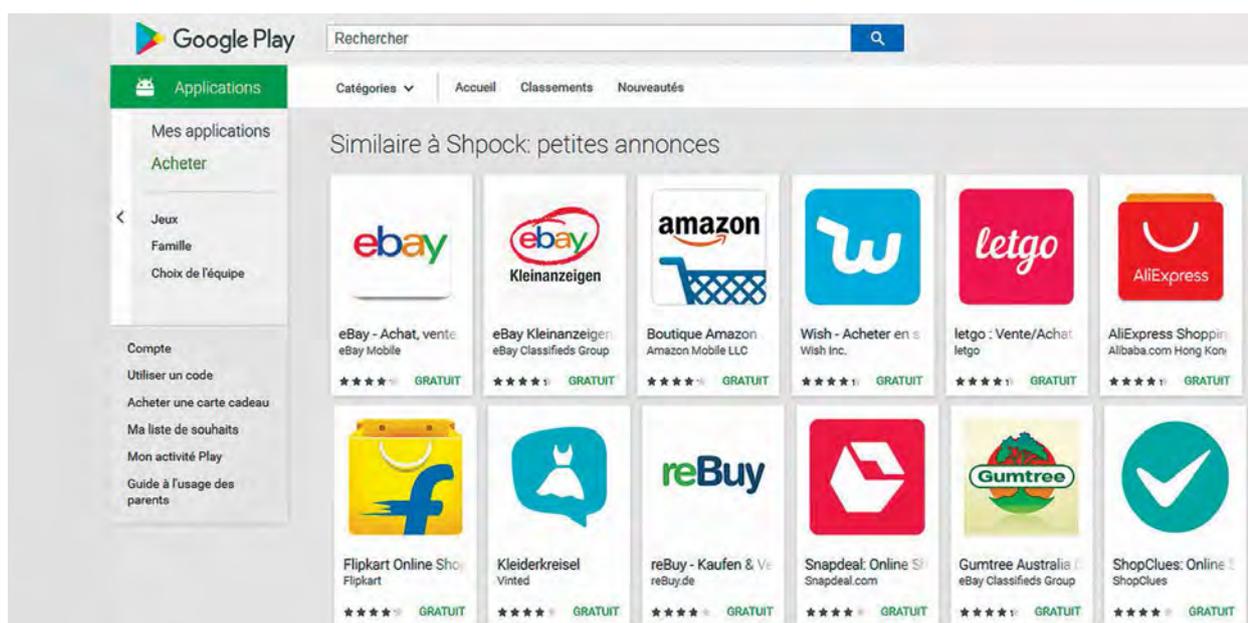
Very often in fact, unless legal action is taken, content providers do not allow access to the criteria chosen by the counterfeiters to display their content. And without unbiased access to the content providers’ database effective searches, e.g. by keywords, cannot be made. So if a counterfeiter decides that his advertisements will only be viewable from a mobile terminal by men aged between 20 and 35 who had visited the official page of a particular brand of Swiss watches less than one hour previously, a good profile on the social networks is essential to be able to track down such offerings! That makes it particularly important for the application suppliers and social networks to place their confidence in the owners of rights and provide wider opportunities to track down unlawful offers. The FH is in contact with the main social networks to discuss the possible use of tools or access to the content published by the users with the fewest possible constraints. In 2016, Europol launched a prevention campaign called Don’t Fake up! to make the youngest people more aware of counterfeit offers on mobile applications and social networks.

Through its Internet Unit, the FH has also found that an increasing number of contents were only available on mobiles through applications and therefore had to adapt its tools accordingly. In addition, the categories are becoming increasingly blurred with the social networks transformed into sales platforms (example: Facebook Marketplace) and sales sites now being accessible primarily via mobile applications.

However, the Internet Unit did not rest on its laurels and even managed to double the number of contentious advertisements withdrawn each year to more than 1.2 million, taking platforms and social networks together. It took further measures against the sites, in particular by participating in judicial actions led by Europol to seize domain names. The number of new sites has continued to fall slightly for the past two years. The FH has also put in hand new measures to impound the financial assets of counterfeiters in the United States. It is also taking a close interest in the responsibility and involvement of carriers



Europol prevention campaign



*Many online sales platforms are available as applications*

of the *express shipping* type now that Chinese *e-commerce* with Europe is growing at an explosive rate and the role of the intermediaries is regarded as crucial in the fight to prevent counterfeiting.

### Technical analyses

In the year under review, the FH watch industry representatives made a technical analysis of 556 samples, i.e. 157 pieces fewer than in 2015 (-22%). The result of these analyses was set down in 374 reports on origin, 169 fewer than one year previously (-31%). The listed pieces made unauthorised use of 39 different brands (52 in 2015). The samples examined in 2016 were impounded or acquired in 14 countries (21 in 2015). Watches and reports were sent to the owners of rights and also to the entities which originated the seizure. In parallel the FH counterfeit prevention service dealt with 1,402 applications for attestations in 2016 (+ 20%).

However, the reduction in the volume of activity linked to technical investigations does not reflect the general trend of counterfeiting. There has been a paradigm change here in

the processing of items seized by the customs authorities. With the generalisation of simplified inspection procedures, the statutory time limits are now too short to permit a technical analysis of samples. The litigious pieces are therefore no longer forwarded to the FH. The customs officer takes a photo of the watch whose authenticity he wants to be verified. The visuals are then forwarded to the watch experts at the FH who attest immediately on an official document whether or not the illustrated watches are a counterfeit product. The operation is completed within 24 hours entirely via electronic channels without exchanging any papers or samples. This practice explains to some extent the distinct reduction in the volume of samples dealt with and by corollary the substantial increase in the number of attestations issued. This change is not without consequences: scrutiny of a photo does not bring the same technical information as the examination of a sample. In other words this is tantamount to a real loss of information which is liable to jeopardize in the long run the ability to understand and explain the counterfeiting process.

In this evolving context, the FH watch experts were instructed to draw more information from less voluminous material. The samples available must therefore be examined in greater



*The counterfeiting route most frequently used in 2016: China – Netherlands – Switzerland*

depth with the emphasis placed on compilation of data with a view to “generating information”. In that perspective, watch specialists make use of an ad hoc IT tool developed by criminal analysts thanks to which the database can now produce a graphic synthesis of the information, so facilitating coordination of the data and hence their interpretation.

Concretely, the analysis system is now capable of highlighting a convergence of elements so attesting, with a very narrow margin of error, that the watches under examination originate from the same workshop - a conclusion which a visual examination, however detailed it may be, could never draw. We are placing some hope in this new tool to offset the loss of information linked to a reduction in the number of samples.

As far as their provenance is concerned, most of the samples analysed in 2016 came from Asia, primarily from China or in transit via Hong Kong. To dispatch their products the counterfeiters made intensive use of the services offered by the Dutch Post Office.

As usual, a great majority of the samples are counterfeit copies of brands and/or models. The remainder consist of unlawful indications of origin, in other words all the pieces which are

not counterfeit copies of brands or models but use a Swiss geographical indication (“SWISS MADE”, “FABRIQUE EN SUISSE” or a derivative such as “GENEVA”) in a misleading manner or contrary to the regulations in force in Switzerland or in the country of destination. On this matter, in the year under review the FH drew up 60 reports (22 in 2015) making a detailed examination of 99 samples (26 in 2015) with 24 different indications, for the most part “creative” brands associated with the word “Swiss”.

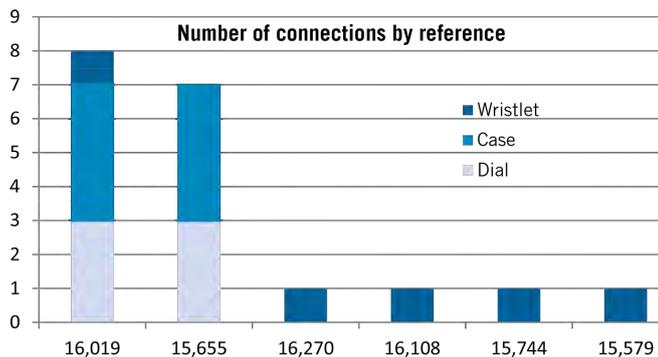
Copies of brands or models are compounded by false technical indications, foremost among them the label “CHRONOMETER” or the Geneva hallmark and false precious metal hallmarks. In recent years the “CHRONOMETER” label which is now very widely and well known has become a popular target for the counterfeiters. In 2016 the FH recorded 126 cases of unlawful use of this label or its derivatives on watches and on commercial documents accompanying the pieces, i.e. 73 cases fewer than in the previous year (- 36%).

After processing in the database all the information gathered in the year enabled eleven summary reports to be drawn up (12 in 2015); these supplement the individual reports on origin. Based on a body of at least 15 pieces, these reports



Reference 16'019

Reference 15'655



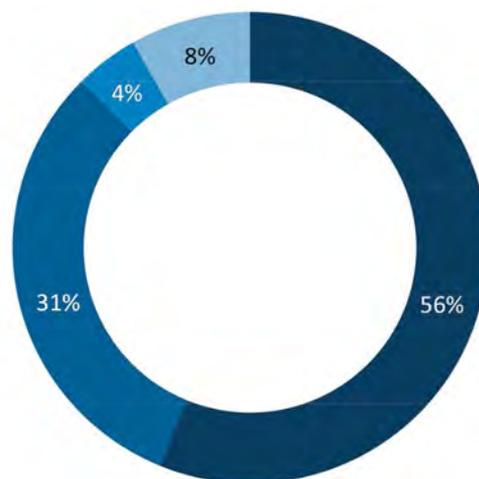
Data convergence enables a relationship to be identified between two seemingly different counterfeit products

provide a statistical panorama of counterfeiting by brands and model, so giving further food for thought which may be incorporated into the prevention strategy drawn up by the enterprises concerned.

In parallel, these summary reports enable the risk analysis datasheets intended for the Swiss and foreign customs authorities to be updated by documenting applications for intervention. These datasheets illustrate for each brand the models thought to be “at risk” (statistically the most commonly counterfeited) and their provenance so as to help the customs officers to put in place more targeted verifications which will therefore be more effective.

The improvement in the quality of counterfeit products passed a new landmark in 2016. This spectacular increase has been shown by a study of Internet forums.

Competition on the search engines has become particularly keen. To raise their profile, the sellers of counterfeit products have recently been making use of “associated services” (social networks, blogs and discussion forums). In particular, the counterfeiters make intensive use of exchange platforms for the promotion and direct sale of counterfeit watches. On the forums examined in 2016 several dozen sellers were identified (59 on the biggest forum). The latter specialize for the most part in particular brands and/or models; that method seems to bring in still greater profits. They all maintain interactive relations between the purchasers and manufacturers of which a dozen or so have been located in a perimeter taking in Guangzhou, Shenzhen and Hong Kong (no forum ever puts a physical address online). The forums guide the purchaser in the search for a brand or model without the need to consult each website. They then facilitate the search for vendors who are most highly rated and enable the best offer to be selected quickly. But the purchaser sometimes takes

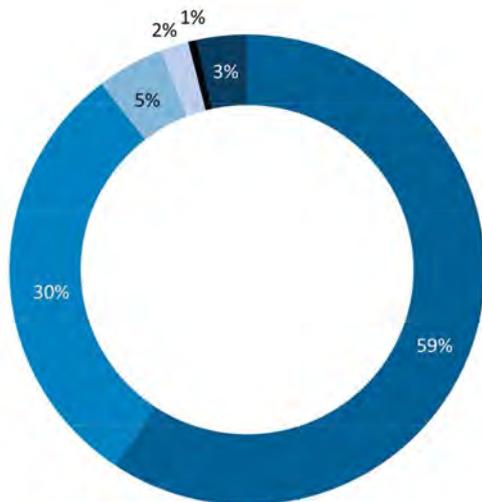


- China
- Hong Kong
- Morocco
- Others

Origin of counterfeit watches confiscated at the European borders



the lead and puts online the specific characteristics of the product he wishes to purchase. The vendor then locates the requested model and looks out for a manufacturer. Sometimes the description of the desired products is exactly the same as that of the authentic product. In that case the forum will be able to guide the purchaser towards the most faithful copy. Some vendors do not hesitate to make comparative illustrated studies of various counterfeit copies of different makers, noting the quality of manufacture and the accuracy of the reproduction. The products offered in this way are more advantageous in terms of quality and price than anything seen previously. As the height of insolence, the best counterfeit copies now carry labels and are accessible only to certain carefully selected wholesalers.



- Leather goods
- Watches
- Clothing
- Shoes
- Phones
- Others

*Breakdown by type of product confiscated at the Swiss border*



*Counterfeit product of superior quality*

# Standardisation

With the help of its Standardisation Committee, the FH coordinated and followed a number of national (NIHS) and international (CEN and ISO) projects.

The main national standardisation projects were, firstly, the finalisation of standard *NIHS 61-30 - Sapphire watch-glasses – Antireflective coatings* and the definition of a new standard concerning miniature threads (*NIHS 06-10 - Horology – Miniature threads NIHS S 0.30 to S 1.40*). In addition, the study of a new concept for the production of colour references for gold alloys, compliant with standard ISO 8654, continued with the assistance of a number of external partners. Work on a review of standard *NIHS 91-30 - Definition of linear accelerations of wrist-watches when abrupt gestures and wear shocks occur* began in June while work on standard *NIHS 55-04 – Dimensions of screw splits* led to the development of a complete new project resulting from the merger of ten NIHS standards referring to the screws that are used in watchmaking. In addition, standard *NIHS 96-50 – Process to estimate the resistance of horological external parts to chemical and climatic agents* was partially revised (including the adaptation of the English version) with particular reference to tests on exposure to saline mist, sulphur agents and solar radiation.

In 2016, nineteen NIHS standards were examined by various watch industry experts. Six of them relating to shock absorbers and settings were confirmed, while the thirteen others concerning gemstones and bushes were grouped together and merged into two documents.

The NIHS service of the FH was asked by the Swiss Association for Standardisation (SNV) to provide the secretariat for the INB/NK 164 Interdisciplinary Committee – *Jewellery*, a mirror institution of the corresponding committees at European (CEN) or international (ISO) level. It is therefore responsible, in cooperation with the designated experts, for responding to the votes initiated by these committees and so for forwarding to the SNV a representative position on behalf of the whole of the Swiss industry. Some fifteen votes were coordinated in this way last year.

At the level of international standardisation, the year 2016 was marked primarily by the organisation of two working days in Basel, on 15 and 16 March. In general, the ISO projects are advancing satisfactorily both at the level of the revision of standards *ISO 6425 – Divers' watches* and *ISO 764 – Magnetic resistant watches*, and new projects such as standards *ISO 14368-4 – Mineral and sapphire watch-glasses - Part 4: Coating performance* or *ISO 18684 – Timekeeping instruments – Watch external parts made of hard materials – General requirements and test methods*.

Finally, on the occasion of systematic examinations, standard *ISO 14368-1 – Mineral and sapphire watch glasses – Part 1: Dimensions and tolerances* was confirmed for five years whereas standard *ISO 16253 – Watch-cases and accessories – Vapour phase deposited coatings* underwent a minor revision.



# Legal, economic and commercial services

A number of different services are available on the FH Extranet site, reserved for its members who benefit from access to privileged information and useful working tools. The latest news items about FH activities and matters of direct interest to members are updated regularly.

## Legal services

The year 2016 assuredly broke a record in terms of information and advice given by the FH legal service. This situation is explained in particular by the adoption of the Swiss made Ordinance for watches and the date of its entry into force set for 1 January 2017. From July onwards, the FH began to receive many questions not only from its members but also from non-members. Most of these questions concerned the key threshold of 60% Swiss content of the cost price as the determining factor which must be achieved to qualify for use of the Swiss made label for an industrial product such as a watch. The FH therefore examined the calculations, determined the margins for manoeuvre in connection with the interpretation of the legal provisions and also updated its guide to the use of the word "Swiss" for watches. This document, together with translations into German and English, can be consulted on the FH extranet.

The 2016 edition of the traditional FH seminar, held on 14 December in the Palais des Congrès at Bienne, was dedicated exclusively to the Swissness project and to its application in the field of watchmaking. The presence of more than 250 persons, a record number for this event, testified to the topicality of the subject and the interest shown by FH members in this new legislation. The seminar achieved its goals which were to provide very specific answers to questions and demonstrate the application of the provisions with the help of practical examples.

As usual, the situation of dangerous substances was also monitored very closely by the FH legal experts. In agreement with the Legislative Watch Commission, a position statement was sent to the European authorities concerning the treatment of beryllium and the reduction of the maximum professional exposure to particles of this material. In the United States, the review of the Toxic Substances Control Act (TSCA) also took shape and granted greater powers to the United States Environmental Protection Agency in connection with the assessment of the different substances.

Defence of intellectual property rights is one of the FH's main missions. Normally, activities of this kind are focused on other countries but 2016 demonstrated that we can never be sure

of avoiding unpleasant surprises. Last year, as part of its stabilisation program, the Federal Council decided to cut the services provided by the Swiss customs authorities in the field of intellectual property by ceasing to confiscate consignments containing less than five copies. The FH was naturally opposed to this measure, knowing that more than 99% of consignments supplying orders for counterfeit products placed over the Internet contain less than five pieces. Initially, the Council of States opposed the reduction of the services provided by the customs authorities but made no specific mention of intellectual property. The matter has therefore not yet been closed and the FH is following it with particular interest.

## Commercial services

Another constantly changing field is that of conflict mineral ores. The European Union recently announced the adoption of a regulation setting out compulsory due diligence procedures for the direct importation of tin, tungsten, tantalum and gold into the EU. For the time being, these obligations only apply to direct importers and then only in excess of import volumes which are approved annually. However, the regulation contains a revision clause whose provisions might be extended to downstream enterprises. The regulation still has to gain the official approval of the European Parliament and Council of Ministers. A four-year transitional period begins on 1 January 2017 and importers are allowed until 2021 to prove their compliance with European standards.

Internationally, other problems, including e.g. new restrictions on imports into Egypt and Turkey, also caused concern to the FH. However, working with the Swiss authorities, it did manage to find solutions that are acceptable to the FH members.

## Economic services

In the statistical field, FH members were able to read quarterly analyses of the progress of the industry in the magazine *Tendances* published on the Extranet. The full database of watch industry export statistics can also be consulted there alongside information about exports by the other major players worldwide.

# Relations with the authorities and economic circles

## Watchmaking parliamentary group

The FH Chairman made frequent contacts with Swiss Federal parliamentarians, in particular by organising meetings during the autumn session e.g. to discuss parliamentary initiatives concerning Swissness. On this matter, he took part in particular in the hearings organized by the National Council's Commission on the Economy and Royalties.

## Watch industry associations

As usual, the watch industry associations met up at Baselworld, at the invitation of the FH, to hold informal discussions on topical issues. This was the 18<sup>th</sup> such meeting, bringing together delegations from the following countries: Germany, China, France, Hong Kong, India, Italy, Japan, Russia and Switzerland.

The discussions focused initially on the trend of exports and business in 2015. The delegations went on to hold exchanges of views about connected watches. In general, they believe that traditional watches and connected watches can coexist satisfactorily.

The FH then explained the status of the Swissmade dossier. Even though this meeting takes no formal decisions, it does facilitate a useful exchange of views on matters of concern to the entire watch industry at global level, so enabling points of view to be aligned more closely in the interest of the industry.

## economiesuisse

The FH is an active member of economiesuisse where it is represented on the following bodies: General Meeting (Jean-Daniel Pasche, FH), committee (Hanspeter Rentsch, Swatch Group, Me Theda Koenig Horowicz, Rolex, and Cédric Bossert, Richemont), steering committee (Hanspeter Rentsch, Swatch Group), board of association managers (Jean-Daniel Pasche, FH), WTO working group, working group on questions of origin and customs matters, expert group on intellectual property, working group on short-term economic issues, expert group on relations with the European Union, competition commission.



*The delegates of the Permanent European Horological Committee (CPHE) met in Paris last October.*



## Permanent European Horological Committee

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Inaugurating the community presidency of the Permanent European Horological Committee (CPHE), Mario Peserico, President of the Italian Assorologi Association, brought together delegates from Europe and Switzerland in Paris last October.

Discussions focused initially on the trend of business in the watch industry and the emergence of connected watches. For its part, the Swiss delegation went on to provide detailed information about the entry into force of Swissness and the new Swiss Made ordinance for watches with particular reference to the calendar, the applicable transitional periods and the dispositions and procedures planned for materials which are not available in sufficient quantities in Switzerland. The delegates then examined the evolution of European, Swiss and international regulatory provisions concerning chemical substances and protection of the environment with an immediate or more distant bearing on the watch industry.

As an inter-professional joint committee established by the watch industry free trade agreement of 1967 between Switzerland and the European Community, the CPHE was formally constituted in Frankfurt in 1977. Its purpose is to discuss all matters of general interest shared by the European watch industry and to assure the defence and representation of the interests of the European watch industry with international organisations, national public authorities or professional associations. It also reports on matters dealt with by the Switzerland – EU Joint Watch Industry Commission governing the 1967 and 1972 watch industry agreements.

# FH centres abroad

## FH Centre in Hong Kong

As usual, the FH Centre in Hong Kong was kept busy with a range of activities on behalf of the branch and members of the association. It provided concrete support to a few dozen delegates, mandated by FH members, travelling in the region, and to their Asian representatives. This regular assistance covers fields as varied as arranging contacts with commercial or industrial partners in Hong Kong and China, searching for qualified personnel, supporting the establishment of companies and accompanying staff on visits to the markets of south-east Asia. Around fifteen trips were organised in this context during the year under review (China, Vietnam, South Korea, amongst others). Promotional events organised in this part of the world were also followed closely.

In parallel, the FH centre multiplied its contacts with the media, local professional organisations and diplomatic authorities and representations across the region, particularly in Hong Kong, Beijing, Guangzhou and Bangkok.

Lastly, the Hong Kong centre followed up numerous requests from FH members in respect of legal matters or anti-counterfeiting measures throughout the region. In particular, it provided support and expertise to many brands seeking to register with Chinese and Korean customs authorities. Similarly, it conducted several tens of investigations into local companies and each month raised one or more objections to the registration of trademarks in class 14 (horology), both in Hong Kong and elsewhere in the region.

## FH Centre in Tokyo

For its part, the FH Centre in Tokyo responded to many requests from FH members and their local agents seeking commercial information, new business contacts and linguistic assistance etc. It also acted on requests from the media and maintained a privileged relationship with the local trade organisations and diplomatic representations while answering specific requests received on a daily basis from Japanese consumers and enterprises.

In its routine activities, the FH Centre also had to assure follow-up for repairs as some brands no longer provide maintenance services for obsolete models. This is one reason why the FH Centre continues to manage the Taga Watch Center after-sales service pool.

Among the “major projects” for the year, the FH Centre paid particular attention to the organisation of the *watch.swiss* Japanese tour, marking the global launch of the new FH travelling exhibition. *watch.swiss* was presented successively in Tokyo, Osaka and Nagoya in the autumn of 2016 (see Highlights on page 6).

Last but not least, in the spring the FH Centre published the 2016 edition of its two-yearly survey of watch consumption on the Japanese market (Japan Watch Consumer Awareness Survey 2016). This survey was enriched to provide a more detailed analysis of some domains suggested by the local brand distributors. This concerned domains such as the sources of information used and information sought before purchase, the price range of watches purchased via the Internet, reasons for buying or the distinction which may or may not be made between the official and parallel markets. The main lessons learned from this survey include the following:

- The budget for the next purchase was higher for a majority of respondents (56.4%),
- The three main sources of information were mass circulation newspapers,
- In all the age groups, over 80% of female consumers questioned were planning to purchase a mechanical watch priced at more than 300,000 yen during the year.





# The Swiss watch

# industry in 2016

The statistics processed, distributed and analysed by the FH are a key indicator for the sector. Prepared by the Federal Customs Administration on the basis of declarations made by firms, they constitute the main official, regular and reliable source for monitoring the development of watch exports. Through a wealth of detailed information concerning markets, products and price segments, the FH can pinpoint recent or historic trends in the Swiss watch industry.



# Watch industry statistics

## General situation

The years of strong watch industry export growth are clearly behind us now. 2015 saw the end of that trend with a first decline while 2016 drove the message home with a downturn on a scale seldom seen previously. Expensive watches, especially those made of precious metal, are no longer popular and are having an adverse effect on results today.

The watch brands have clearly understood the situation and adapted their collections accordingly. Initial feedback seems positive but the changes unfortunately cannot be made simply by waving a magic wand. Once actions have been taken to restructure the market by buying up stocks and other measures sales may gradually take off again. That is the case on some markets such as China while others like Hong Kong and the major European countries are still in the doldrums.

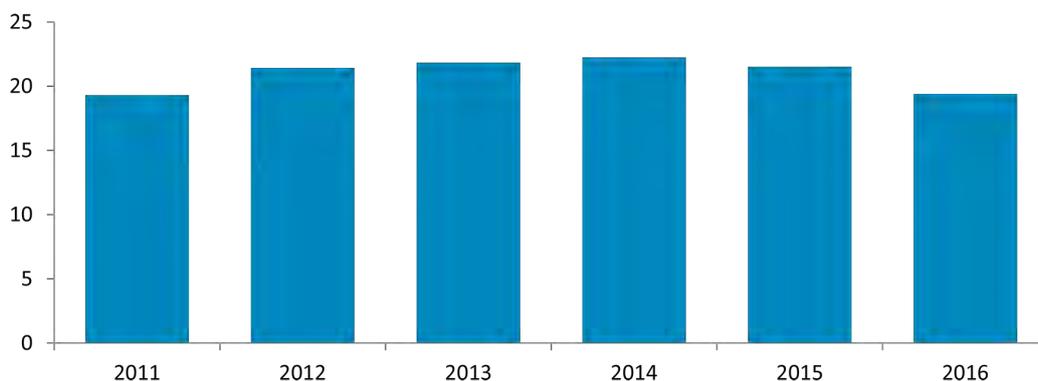
Throughout 2016 the branch was confronted with a changing and to say the least difficult general environment. Several major topics were and still are important factors in the development of the Swiss watch industry. Beginning with tourism which has seen important changes in flows and in its nature, bound up with the sentiment of insecurity, exchange rate

variations and travellers' preferences. Here too the industry is having to adapt by showing reactivity and flexibility, but the task is not easy.

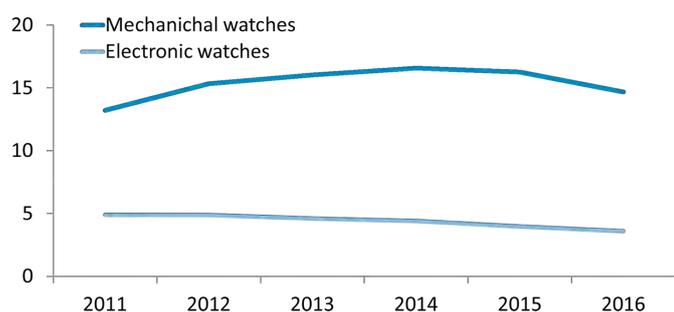
*Millennials* certainly represent a key factor in the new consumption codes to which a response must be found. These consumers belonging to the Y generation prefer on the whole to experiment rather than acquire, to hire goods including luxury articles instead of buying them; they also turn readily to the second hand market. All of these aspects are out of step with the traditional distribution of Swiss watches.

The luxury market is feeling the effect and has experienced a downturn, especially for personal goods but not for every kind of product. In fact some luxury articles have been seen to be growing while tax-free sales are picking up again. This is a sign that tourism is moving back into balance with demand rising again, but the watch industry is only benefiting to a limited extent and still has some way to go.

*e-commerce* is an eminently topical subject which is having a major impact on the market. Consumer habits are changing a great deal and increasingly fast and supply is having to adapt.



Swiss watch exports (in billion francs)



Exports of wristwatches (in billion francs)

The changes observed in the United States in particular are deep and call into question the whole field of traditional distribution. The watch industry for which this question remained taboo for a long time cannot escape the trend and has begun to make progress. An increasing number of actions are being taken in this field by the Swiss brands.

While the macroeconomic fundamentals have improved worldwide, many uncertainties remain. They are bound up, among other factors, with the impact of Donald Trump's policy, measures taken by the Chinese Government (taxes, visas, support for growth), elections in several European countries, Brexit and oil revenues. As far as the Swiss franc is concerned, fluctuations following the abandon of the currency peg against the euro seem to have been absorbed by companies, but the exchange rate of the Swiss franc is still felt to be too high; this is penalising our exports.

### Swiss exports of watches

Swiss watch manufacturers exported wrist watches worth the equivalent of 18.3 billion francs corresponding to the consignment of 25.4 million timepieces (-9.8%). Mechanical and electronic watches were equally affected.

### Watches by price range

Representing two-thirds of export sales, watches priced at over 3,000 francs (export price) accounted for some 80% of the annual decline, with -11.6% in value. The 500 to 3,000 francs segment (-3.9%) showed a reduction that was three

times less substantial. In volume terms, watches costing less than 200 francs set the tone (-11.3%), with 2.1 million fewer units sold than in 2015.

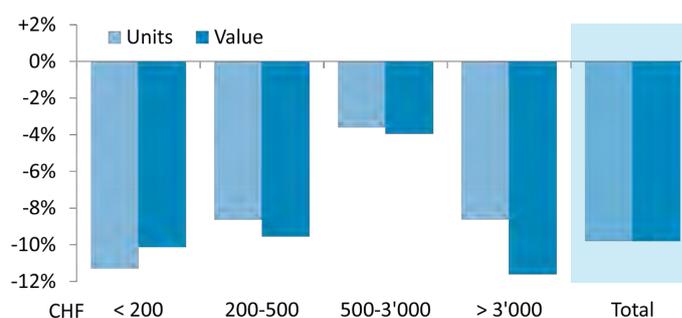
### Trend of the different materials

Almost three-quarters of the decline were attributable to watches in precious metal (-18.5%). Steel timepieces were less affected because their value was down by just 3.3%. On the other hand, in terms of volume, steel products (-7.8%) contributed to a substantial overall reduction. The Other materials (-9.5%) and Other metals (-17.2%) categories also penalised the result.

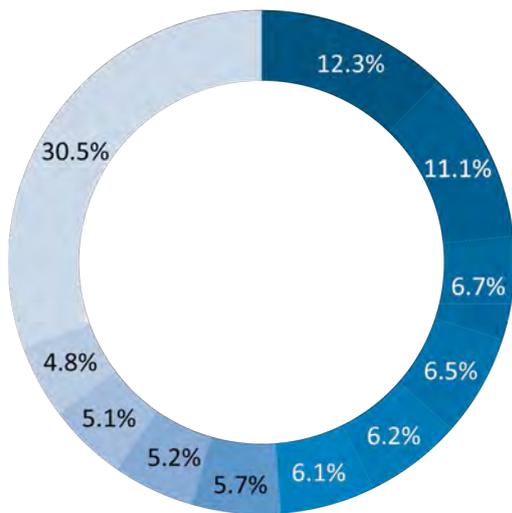
### Main markets

Asia, strongly influenced by the trend in Hong Kong, reported the biggest contraction in 2016 (-11.4%) and accounted for more than half the decline. Europe and America posted identical downturns with -8.6%.

Hong Kong played a very important role in terms of the global result. After two years of heavy decline (-25.1% in 2016), the value of this market has fallen by half in four years. China, on the other hand, recovered strongly thanks to a positive second half (+9.1%). It ended the year at -3.3% against 2015. However, the situation in Japan deteriorated after a good first half to finish up at a similar figure of -3.3%. Singapore (-10.4%) was in line with the global average while South Korea (+3.7%) was one of the few countries to progress. The Middle Eastern markets were affected by declining oil revenues and weakened in the second half of the year.



Exports by price segment (variation compared with 2015)



- Hong Kong
- USA
- China
- Japan
- United Kingdom
- Italy
- Germany
- Singapore
- France
- UAE
- Oth. Countr.

**Main export markets in 2016**

In Europe, only the United Kingdom (+3.7%), benefiting from the weaker pound sterling, stood out as an exception in the context of a clearly negative trend. Italy and Germany remained close to the global average. France (-19.6%) was particularly hard hit by the decline of tourism and a general sentiment of insecurity. Exports of watches to Spain (-9.9%) did not benefit from the influx of tourists.

The trend in the United States (-9.1%) did not stand out in 2016 and remained in line with the global average.

**Other exported products**

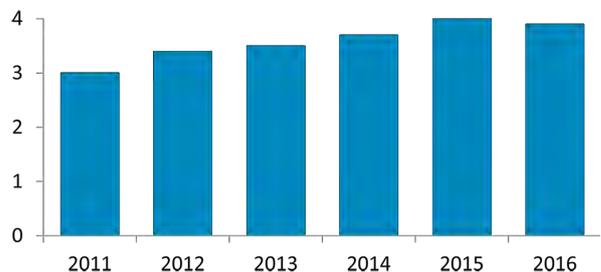
Wrist watches represented just under 95% of the total value of watch industry exports in 2016. The balance, made up of component parts and finished products such as small and large clocks, alarm clocks and pocket watches, stood at 1.1 billion francs; the overall reduction reached 11.3%.

Among these other exported products the number of watch movements contracted by 19.5%. The value of alarm and other clocks of all kinds also fell by around 20%. After very strong growth in 2015, the value of pocket watches was 13.2% down in 2016. Only alarm clocks and small clocks experienced a bountiful year with growth of 27%.

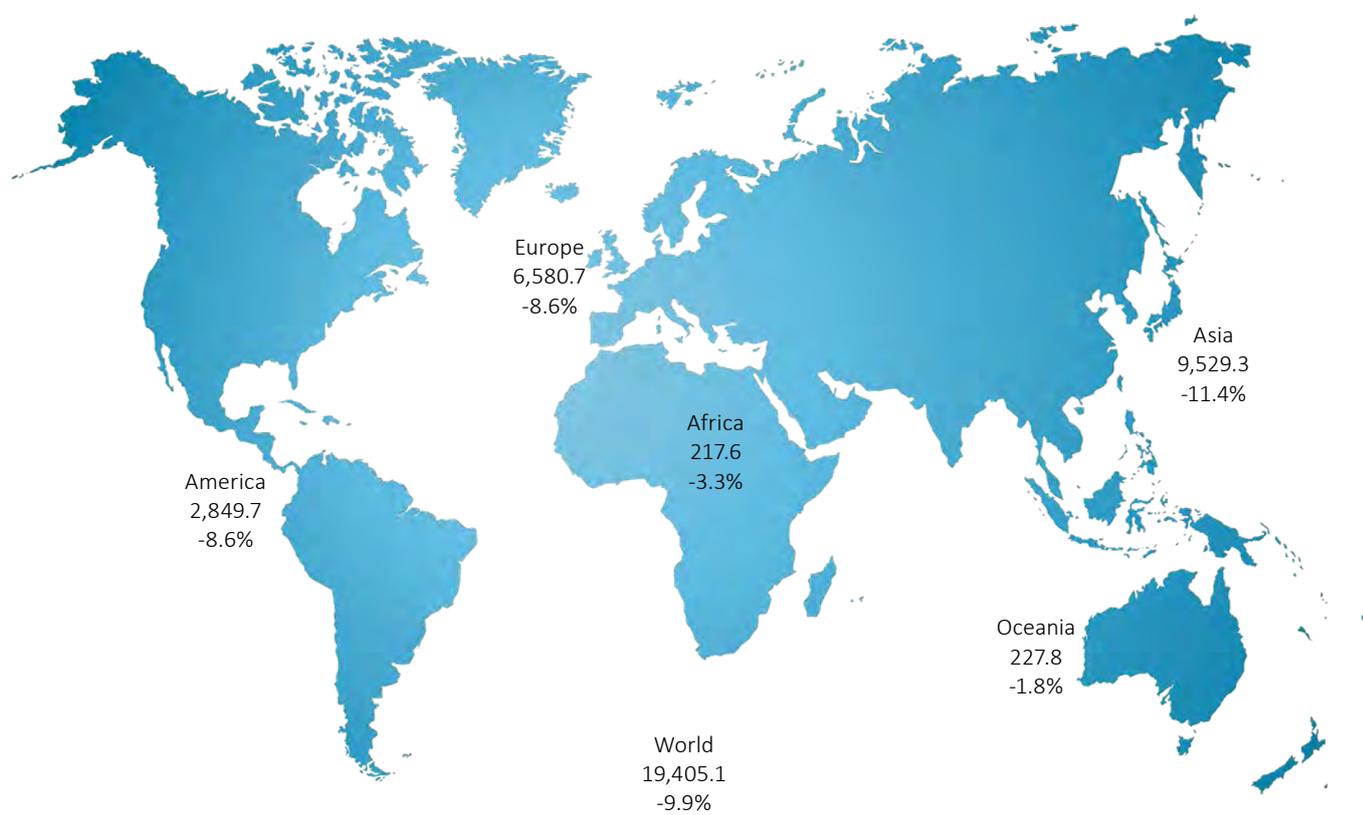
Exports of watch bracelets and watchcases reached significant sums but are bound up with processing traffic. However, these results fell substantially.

**Watch imports**

Imports of horological products into Switzerland remained stable in 2016 against 2015, at 3.9 billion francs (+ 0.3%). The value of wristwatches rose by 8.9%, while the number of pieces contracted by a similar figure. The increase in the average import price observed in 2015 therefore continued last year. On the other hand, procurement of component parts for production was 7.4% lower.

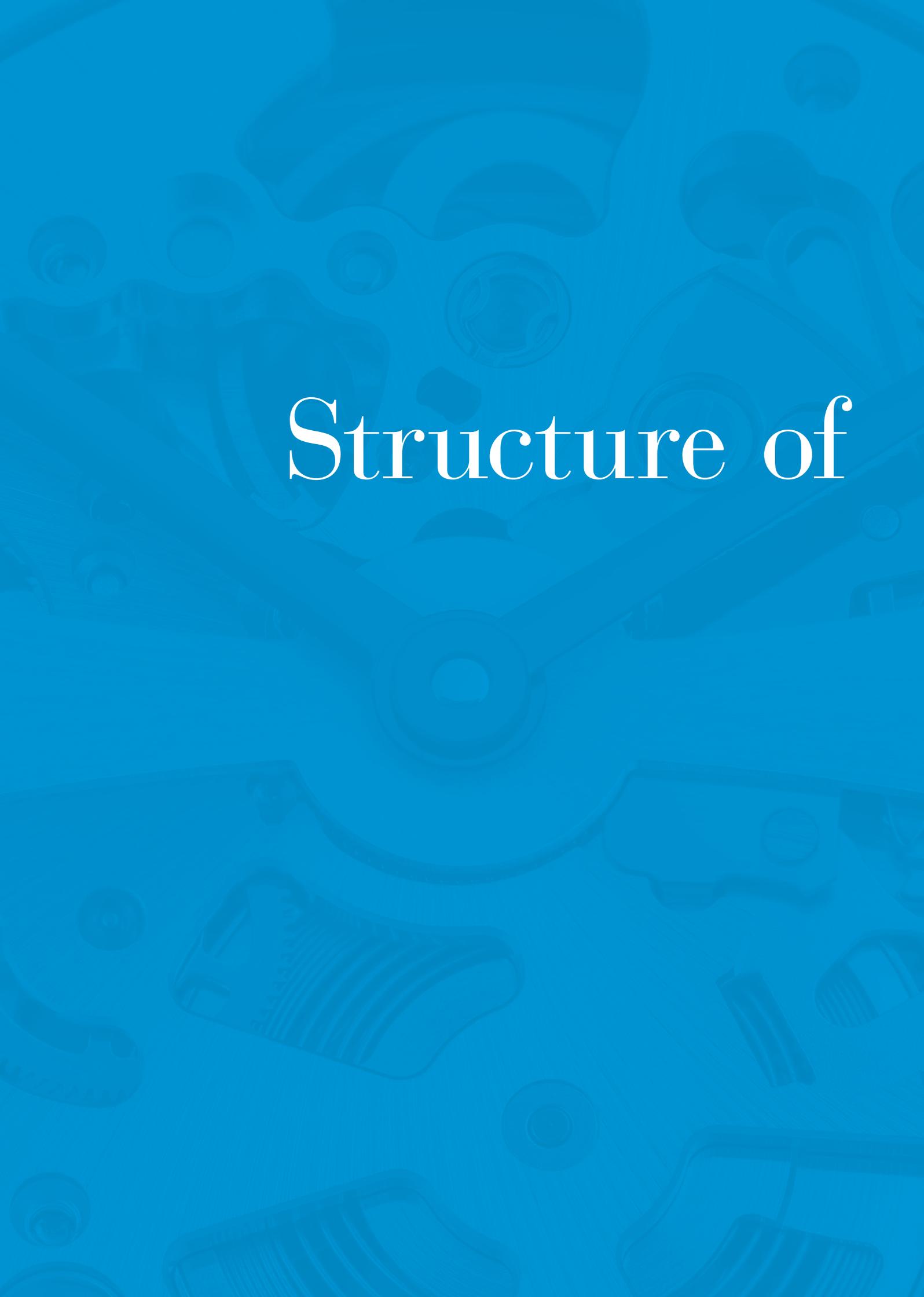


*Swiss watch imports (in billion francs)*



*Total value (in million CHF)*



The background is a solid blue color with a repeating pattern of faint, light blue mechanical parts. These parts include gears, bolts, nuts, washers, and various brackets, arranged in a scattered, overlapping manner. The pattern is subtle and serves as a decorative backdrop for the text.

# Structure of

# the FH in 2016

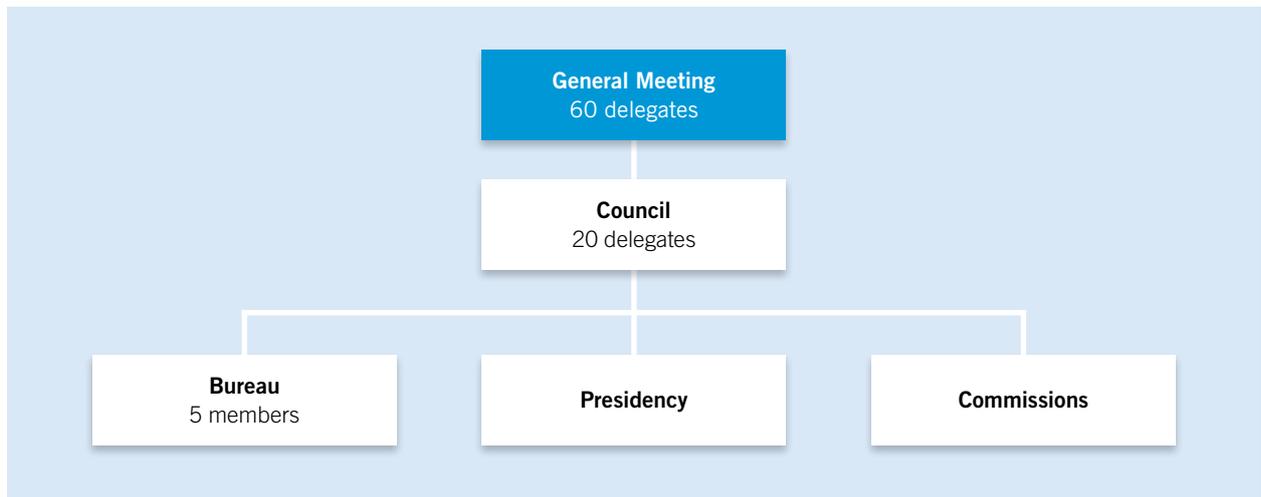
An organisation representative of the Swiss watch industry as a whole, the FH has the following main tasks and objectives: helping to defend and develop the sector, establishing a permanent link between its members in order to promote their shared interests, representing the Swiss watch industry in its dealings with Swiss and international economic authorities and organisations, asserting the interests of its members during consultation procedures preparing the ground for national and foreign legislations, defending its members' interests in the legal arena, and fighting actively against infringements of intellectual property rights and acts of unfair competition.



# The FH in 2016

On 31<sup>st</sup> December 2016, the FH included 478 companies, associations and institutions (approximately 90% of the Swiss watch industry manufacturers), including 237 firms in the finished products sector.

In terms of products, markets and business size, the Swiss watch industry is characterised by its very great diversity. The FH is therefore structured with a view to harmonising the different interests of its members through the balanced composition of its statutory organs.



# The General Meeting

Governing body of the association, the FH General Meeting comprises a maximum of 60 delegates totalling 60 votes. Lasting three years, terms of office are renewable.

The General Meeting takes decisions on issues submitted to it by the Board concerning the interests of the Swiss watch industry and the association's general policy; it elects mem-

bers to the Board, as well as the president of the association, and appoints the auditor; it discusses and approves the annual report and the accounts, as well as the scale of subscriptions.

On 31<sup>st</sup> December 2016, the FH General Meeting was composed of the following delegates (some with more than one vote):

## Grégory Affolter

Pignons Affolter SA

## Marco Avenati

Manufacture des Montres Rolex SA  
(FH Vice President)

## Paul-Serge Becherelli

La Montre Hermès SA

## Alexander Bennouna

Victorinox Swiss Army SA

## Olivier Bernheim

Raymond Weil SA

## Denis Bolzli

Aéro Watch SA

## Cédric Bossert

Richemont International SA

## Patrick Brandelet

Joray & Wyss SA

## Pascal Bratschi

Manufacture des Montres Rolex SA

## Pierre-André Bühler

ETA SA Manufacture horlogère suisse

## Dino D'Aprile

Rubbattel & Weyermann SA

## Pascal Dubois

Dubois Dépraz SA

## François Durafourg

Pierhor SA

## Christian Feuvrier

Nivarox-FAR SA

## Joris Engisch

Jean Singer & Cie SA

## Jean-Paul Girardin

Breitling SA

## Kurt Grünig

Roventa-Henex SA

## David Guenin

Gimmel Rouages SA

## Jean L. Guillod

Guillod-Günther SA

## Philippe Gurtler

Rolex SA

## Jean Hirt

Estoppey-Addor SA

## Aldo Magada

Zenith, Branch of  
LVMH Swiss Manufactures SA

## Alain Marietta

Métalem SA

## Jacques Mata

Luxury Goods International (L.G.I.) SA

## Pierre-André Meylan

Piguet Frères SA

## Jean-Jacques Némitz

Universo SA

## Corine Neuschwander

Neuschwander SA

## Marianne Pandiscia

Multitime Quartz SA

## Hannes Pantli

IWC Schaffhausen,  
Branch of Richemont International SA

## Jean-Daniel Pasche

FH President

## Flavio Pellegrini

MGI Luxury Group SA

## Hanspeter Rentsch

The Swatch Group SA  
(FH Vice President)

## Daniel Rochat

Patek Philippe SA Genève

## Philippe Rossier

Simon et Membrez SA

## Guy Sémon

TAG Heuer,  
Branch of  
LVMH Swiss Manufactures SA

## Manuela Surdez

Goldec SA

## François Thiébaud

Tissot SA

## Jean-Luc Tschirky

Richemont International SA

## Claude Vuillemez

Richemont International SA

## Roger Wermeille

Le Castel Pendulerie Neuchâteloise

## Vladimiro Zennaro

Bergeon SA



# The Board

Comprising twenty members elected for three years by the General Meeting, the FH Board, which meets four times a year, has the following main attributions: it defines the association's policy and monitors its application; it rules on the admission of members; it gives its opinion on issues to be submitted to the General Meeting and executes the latter's decisions; it elects the Bureau and appoints the vice-president(s); it appoints heads

of division and commission members; generally it assures a permanent link between members of the association, the authorities and third parties; it approves agreements concluded between the association and its members or third parties; etc.

On 31<sup>st</sup> December 2016 the Board was composed of the following members:

**Raynald Aeschlimann**

Omega SA

**Marco Avenati**

Manufacture des Montres Rolex SA

**Alexander Bennouna**

Victorinox Swiss Army SA

**Denis Bolzli**

Aéro Watch SA

**Cédric Bossert**

Richemont International SA

**Pierre-André Bühler**

ETA SA Manufacture horlogère suisse

**Christian Feuvrier**

Nivarox-FAR SA

**Jean-Paul Girardin**

Breitling SA

**Kurt Grünig**

Roventa-Henex SA

**Philippe Gurtler**

Rolex SA

**Jean Hirt**

Estoppey-Addor SA

**Alain Marietta**

Métalem SA

**Hannes Pantli**

IWC Schaffhausen, Branch of Richemont International SA

**Pascal Queloz**

Oréade Manufacture de boîtes SA

**Hanspeter Rentsch**

The Swatch Group SA

**Daniel Rochat**

Patek Philippe SA Genève

**Philippe Rossier**

Simon et Membrez SA

**Guy Sémon**

TAG Heuer, Branch of LVMH Swiss Manufactures SA

**Peter Steiger**

The Swatch Group SA

**Claude Vuillemez**

Richemont International SA

# The Bureau and the Commissions

Comprising the president, the two vice-presidents and two members, the Bureau examines issues delegated to it by the Board and, exceptionally, questions of an urgent nature.

At the end of 2016, its composition was as follows:

**Jean-Daniel Pasche**

FH

**Marco Avenati**

Manufacture des Montres Rolex SA

**Hanspeter Rentsch**

The Swatch Group SA

**Alain Marietta**

Métalem SA

**Jean-Paul Girardin**

Breitling SA

The president of the Financial Commission is regularly invited to attend the Bureau's meetings.

The FH also has six permanent Commissions responsible for examining issues of general interest dealt with by the association.

The Commissions and their presidents:

**Economic Commission**

Thierry Kenel

**Financial Commission**

Pascal Queloz

**Legislative monitoring Commission**

Olivier Blanc

**Legal Affairs Commission**

Jean-Daniel Pasche

**Standardisation Committee**

Silvano Freti

**Anticounterfeiting Group**

Jean-Daniel Pasche



# The Departments and the Services

On 31<sup>st</sup> December 2016, the FH employed 32 people full-time in Bienne (32 in 2015). Its organisation chart is as follows:



# The network of partners

The FH would be nothing in the globalised world in which we live without a solid network of partners, which can be found both within and outside the sector on all five continents. Non-exhaustive, the list below provides a summary of this network.

## Watchmaking Partners

- ♦ All India Federation of Horological Industries
- ♦ American Watch Association (AWA)
- ♦ Association des fabricants de décolletages et de taillages (AFDT)
- ♦ Association des fabricants suisses d'aiguilles de montres
- ♦ Association patronale de l'horlogerie et de la microtechnique (APHM)
- ♦ Association patronale des industries de l'Arc-horloger apiah
- ♦ Association pour l'assurance qualité des fabricants de bracelets cuir (AQC)
- ♦ Association suisse pour la recherche horlogère (ASRH)
- ♦ Associazione Ticinese Industria Orologiera-ATIO
- ♦ Assorologi (Italy)
- ♦ BV Schmuck + Uhren (Germany)
- ♦ Centre suisse d'électronique et de microtechnique (CSEM)
- ♦ Centredoc Centre suisse de recherche, d'analyse et de synthèse d'information
- ♦ Chambre française de l'horlogerie et des microtechniques (CFHM)
- ♦ China Horologe Association
- ♦ Comité des exposants suisses à Baselworld
- ♦ Comité permanent de l'horlogerie européenne (CPHE)
- ♦ Contrôle officiel suisse des chronomètres (COSC)
- ♦ Fédération de l'horlogerie (France)
- ♦ Fédération romande des consommateurs (FRC)
- ♦ Fondation de la Haute Horlogerie
- ♦ Fondation Qualité Fleurier
- ♦ Fondation WOSTEP
- ♦ Groupement des fabricants d'aiguilles de montres
- ♦ Hong Kong Watch Importers' Association
- ♦ Hong Kong Watch Manufacturers Association
- ♦ Infosuisse Information horlogère et industrielle
- ♦ Japan Clock and Watch Association
- ♦ Japan Watch Importers' Association
- ♦ Joyex - Asociación Española de Fabricantes y/o Exportadores de Joyería, Platería y Relojería
- ♦ Korea Watch and Clock Industry Cooperative
- ♦ Société suisse de chronométrie (SSC)
- ♦ The Federation of Hong Kong Watch Trades & Industries Ltd
- ♦ Union des Fabricants d'Horlogerie de Genève, Vaud et Valais (UFGVV)
- ♦ Verband deutschschweizerischer Uhrenfabrikanten (VdU)

## Federal Administration

- ♦ Bureau central du contrôle des métaux précieux
- ♦ Commission des experts douaniers
- ♦ Direction générale des douanes (DGD)
- ♦ Swiss Federal Institute of Intellectual Property (IPI)
- ♦ Office fédéral de la santé publique (OFSP)
- ♦ Office fédéral de la sécurité alimentaire et des affaires vétérinaires (OSAV)
- ♦ Présence suisse
- ♦ State Secretariat for Economic Affairs SECO



## Chambers of commerce

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- ♦ Alliance des chambres de commerce suisses
- ♦ Arab-Swiss Chamber of Commerce and Industry (CASCI)
- ♦ International Chamber of Commerce international (ICC)
- ♦ Swiss-Chinese Chamber of Commerce
- ♦ Swiss-Indian Chamber of Commerce
- ♦ Joint Chambers of Commerce (Russia, Ukraine, Kazakhstan, Belarus, Kyrgystan, Moldova)
- ♦ Swiss-Asian Chamber of Commerce
- ♦ Swiss Business Council Abu Dhabi
- ♦ Swiss Business Council Dubai
- ♦ Swiss Chamber of Commerce in Japan

## Economic organisations

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- ♦ BUSINESSEUROPE
- ♦ economiesuisse
- ♦ Switzerland Global Enterprise

## Technical organisations

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- ♦ Centre technique de l'industrie horlogère française (CETEHOR)
- ♦ Ecole d'ingénieurs ARC
- ♦ International Electrical Committee (IEC)
- ♦ Tokyo Watch Technicum

## Customs and police organisations

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- ♦ Agenzia delle Dogane, Roma
- ♦ Commandement général de la Guardia Civil (Espagne)
- ♦ Commandement général de la Guardia di Finanza (Italie)
- ♦ Direction générale des douanes et Droits indirects de la République française
- ♦ Ecole des Sciences Criminelles, UNIL
- ♦ Europol
- ♦ Federal Bureau of Investigation (FBI)
- ♦ Interpol
- ♦ Organisation mondiale des douanes
- ♦ Police cantonale de Neuchâtel
- ♦ Police cantonale du Jura
- ♦ U.S. Customs and Border Protection

## Organisations involved in standardisation

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- ♦ Association française de normalisation (AFNOR)
- ♦ Association suisse de normalisation (SNV)
- ♦ British Standards Institution (BSI)
- ♦ Bureau of Indian Standards (BIS)
- ♦ Comité européen de normalisation (CEN)
- ♦ Deutsches Institut für Normung (DIN)
- ♦ Federal Agency on Technical Regulating and Metrology (GOST R)
- ♦ International Organization for Standardization (ISO)
- ♦ Japanese Industrial Standards Committee (JISC)
- ♦ Korean Agency for Technology and Standards (KATS)
- ♦ Standardization Administration of China (SAC)

### Anticounterfeiting organisations

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- ♦ Anti-Counterfeiting Group (ACG)
- ♦ Brandowners Protection Group (Gulf Cooperation Council)
- ♦ Institut de police scientifique, Lausanne
- ♦ Istituto di Centromarca per la lotta alla contraffazione (Indicam)
- ♦ STOP PIRACY – Plate-forme suisse de lutte contre la contrefaçon et la piraterie
- ♦ The Anti-Counterfeiting Network (REACT)
- ♦ Union des fabricants

### Legal organisations

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- ♦ Association internationale pour la protection de la propriété intellectuelle (AIPPI)
- ♦ Association suisse du droit de la concurrence
- ♦ Association suisse du droit européen
- ♦ Commission européenne, DG Environnement
- ♦ International Trademark Association (INTA)
- ♦ Ligue internationale du droit de la concurrence
- ♦ Organisation for an International Geographical Indications Network (Origin)





Fédération de l'industrie horlogère suisse FH  
Verband der Schweizerischen Uhrenindustrie FH  
Federation of the Swiss Watch Industry FH

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