

Booming Swiss watch and precision instruments exports to China

Swiss watch and precision companies exported goods in the value of 1.6 billion Swiss francs to China and Hong Kong in the first four months of 2010, an increase by 40.6% year-on-year. In the same period, overall Swiss exports to China and Hong Kong went up by 21.4%, making the Middle Kingdom the fifth biggest buyer of Swiss goods world wide and leaving Switzerland with a 1.2 billion Swiss francs trade surplus.

Shanghai, 31 May 2010 – China is becoming a key market for Swiss exporters and particularly the Swiss watch and precision industries: “In April, the Swiss watch and precision enterprises exported goods in the value of 380.8 million Swiss francs to China and Hong Kong – an astonishing increase of 86% in China and 15.6% in Hong Kong year on year”, reports Nicolas Musy, Managing Director of the non-profit organization Swiss Center Shanghai, which is by far the largest cluster of Swiss enterprises in China.

According to recent figures of the Swiss Federal Customs Administration, the watch and precision exports to China and Hong Kong grew by 40.6% in the period of January to April year on year, generating an export volume of 1.6 billion Swiss francs. The second largest Swiss export sector is the machinery industry: In the same period, Swiss companies exported machinery for a value of 848.8 million Swiss francs to China and Hong Kong – a plus of 1.9% year on year.

Very favourable trade balance

In the first four months of 2010, overall Swiss exports to China and Hong Kong went up by 21.4% to a total of 3.39 billion Swiss francs, making the region the fifth biggest importer of Swiss goods worldwide, after Germany, the United States, Italy and France. Swiss exports to China grew four times faster than overall exports (+5.3%) and almost twice as fast as those to Asia (+12.2%). Besides, with a positive balance of 1.2 billion Swiss francs, the Swiss trade with China and Hong Kong amounts to a net creation of jobs for Switzerland.

“Watches, precision instruments and machinery account for 72% of our exports to China. But the watches and precision sector only is responsible for the strong export growth”, states Mr. Musy. In the period January to April, Swiss watch exports to China and Hong Kong grew by 43.9% to 1.2 billion Swiss francs. Precision instrument exports, such as microscopes, lenses and medical equipment, grew by 33%. “At the end of this decade China will come close in absolute size to the US economy. As a result China has the potential to become our No 1 export market. We need to make sure that our sales in the machinery sector to China also continue to grow”, mentions Nicolas Musy. The Swiss Center Shanghai facilitates the market entry of Swiss companies in Asia with office and workshop space, government relations and a comprehensive network of experts for guidance and minimizing risks. “Very few countries – mainly Japan and Germany in addition to Switzerland – enjoy trade surpluses with China. And while Swiss exports to China amount only to 5.4% of the total, the corresponding trade surplus makes 16% of the total Swiss surplus. China is the source of an important net creation of high added-value jobs in Switzerland and we need to make the right moves to continue benefiting from China’s rise” analyzes Musy.

To support the Swiss machinery industry, the Swiss Center has opened commercial and industrial space dedicated to machinery companies for sales & after-sales, demonstration, client training, and application engineering.

Legend: “The trade surplus with China amounts to an important net creation of high added-value jobs in Switzerland and we need to make the right moves to continue benefiting from China’s rise.” Nicolas Musy, Managing Director Swiss Center Shanghai

About Swiss Center Shanghai (SCS): Founded in 2000, SCS is by far the largest cluster of Swiss enterprises in China with a rich experience in business set-up and China operations management. SCS not only offers instant workshop, office and desk space, but also supports the companies with government relations and a broad network of experts. SCS served more than 100 companies in China – both SMEs and large enterprises. Among other, the SCS experts performed set-ups of 20 production companies and more than 30 offices and trading companies. For more information, please visit: www.swisscenters.org.