

Zeitschrift: The Swiss observer : the journal of the Federation of Swiss Societies in the UK

Herausgeber: Federation of Swiss Societies in the United Kingdom

Band: - (1971)

Heft: 1608

Rubrik: Comment

Nutzungsbedingungen

Die ETH-Bibliothek ist die Anbieterin der digitalisierten Zeitschriften auf E-Periodica. Sie besitzt keine Urheberrechte an den Zeitschriften und ist nicht verantwortlich für deren Inhalte. Die Rechte liegen in der Regel bei den Herausgebern beziehungsweise den externen Rechteinhabern. Das Veröffentlichen von Bildern in Print- und Online-Publikationen sowie auf Social Media-Kanälen oder Webseiten ist nur mit vorheriger Genehmigung der Rechteinhaber erlaubt. [Mehr erfahren](#)

Conditions d'utilisation

L'ETH Library est le fournisseur des revues numérisées. Elle ne détient aucun droit d'auteur sur les revues et n'est pas responsable de leur contenu. En règle générale, les droits sont détenus par les éditeurs ou les détenteurs de droits externes. La reproduction d'images dans des publications imprimées ou en ligne ainsi que sur des canaux de médias sociaux ou des sites web n'est autorisée qu'avec l'accord préalable des détenteurs des droits. [En savoir plus](#)

Terms of use

The ETH Library is the provider of the digitised journals. It does not own any copyrights to the journals and is not responsible for their content. The rights usually lie with the publishers or the external rights holders. Publishing images in print and online publications, as well as on social media channels or websites, is only permitted with the prior consent of the rights holders. [Find out more](#)

Download PDF: 14.01.2026

ETH-Bibliothek Zürich, E-Periodica, <https://www.e-periodica.ch>

The Swiss Observer

Published Twice Monthly at
63/67 TABERNACLE STREET
LONDON E.C.2
Tel.: 01-253 2321
Telegrams: Paperwyse Stock London

HON. PRESIDENT: Robert J. Keller
EDITOR: Pierre-Michel Beguin

Advisory Council:

Gottfried Keller (Chairman)
O. F. Boehringer, J.P. (Hon. Sec.)
F. Burri, J. Eusebio, Dr. C. Jagmetti
(Press Attaché Swiss Emb.)
A. Kunz, C. Nater, R. M. Suess
PREPAID SUBSCRIPTION RATES
(POST FREE)

UNITED KINGDOM

24 issues	£2. 8.0
12 issues	£1. 5.0
6 issues	£ 13.0

SWITZERLAND & Elsewhere

12 issues Frs. 13 — or £1. 6.0
24 issues Frs. 25 — or £2.10.0

Swiss subscriptions may be paid into

Postcheck-Konto Basle 40-5718

Editor's telephone: 01-602 1378

COMMENT

A HARD BATTLE FOR THE WATCH INDUSTRY

While the Swiss watch has lost none of its world prestige, it has certainly lost its relative share of the world market. There was a time when four or more watches out of five worn across the world had a Swiss origin. Now the proportion has fallen down to about 45 per cent—which is still honourable. However, even though the Swiss watch may decline in relative importance, the world watch market is expanding so rapidly that our watch industry will remain one of our booming export industries. The total sale of watches in the world was 160 million pieces last year. This is expected to rise to 300 million in 1980, thus leaving plenty of prospects to the Swiss watch industry, as long as it can adapt itself to a changing and competitive market.

The loss of the Swiss share of the world market has benefitted mainly to three powerful newcomers: America, Russia and Japan. They have profited from the weaknesses of the Swiss watch industry. These weaknesses lie foremost in the dispersed structure of the industry, in its sometimes archaic management, in an insufficient exploitation of foreign markets, in too many small firms and in a lack of concerted effort in research and development. But our watchmakers have been aware of these shortcomings for a sufficiently long time to have begun taking the necessary action to correct them. The main and all-important step that must be taken is to create powerful units capable of imposing themselves on the world market. This automatically spells "merger", either horizontal or vertical.

The creation of the SSIH group, comprising Omega, Tissot, Lemania

and other less important firms, is a good example of the former case. Other examples are the creation of the Jacquot-Droz group and the Société des Garde-Temps, which embodies De-goumois & Co., Sandoz and Invica. These "horizontal" mergers consisted in the marriage of firms producing similar kinds of watches or the same components thereof. The most recent watch merger on record was of a "vertical" type because it united together a string of factories producing both watches and components. It was the takeover by the ASUAG (Société générale de l'horlogerie suisse S.A.) of some ten small watch undertakings which together grossed a turnover of 200 million francs. The ASUAG was up to then not a watch manufacturer proper, but one of the biggest watch-parts producers in the world.

This far-reaching reorganisation has caused some concern among smaller watch manufacturers supplied by ASUAG. They feared that they would suffer from commercial discrimination.

Mergers do not, of course, solve everything. Their main advantages lie in sparing duplicated work, be it in administration, development or production. But they still leave considerable managerial and personal problems to solve. When a dozen family watch firms nestle together to build a larger unit it involves the reconciliation of a dozen managements and a dozen production programmes. Many quite small firms have an amazing gamut of models and designs intended to satisfy a very wide geographical market. Two or three hundred models would not be untypical. Such ambitious variety of production was bound to be a strain on the smaller firms and it was inevitable that they should set their sights lower if they wished to remain competitive—and hence on the market. This has resulted in a situation where most of the smaller firms without a super-name (e.g. Richard and Patek Philippe) have

had to look for partners to survive. This situation is incidentally reflected on the list of Swiss watch agents in this country. Many names have had to be crossed out in the recent past, others are now found under a single heading.

Many people (and Swiss persons surprisingly foremost among them) like to gullibly insist that the Japanese are now producing watches as good and far cheaper than our own—such being the Japanese legend. Fortunately, the Swiss watch industry has taken the Japanese threat sufficiently seriously to react in time and appropriately. The ability to produce cheap watches is a question of productive size, and this is precisely what our watch industrialists have been attempting to achieve in a decade of continuous mergers. Cheapness also depends on cost of living. The cost and standard of living of Japan are rising far faster than in Switzerland (which admittedly suffers from inflation, but managed to keep the rise in cost of living down to 3 per cent last year). Thus Japan's competitive edge is bound to diminish rather than to improve as the Swiss industry gets yet better organised and as costs in Japan increase. One possible danger to Switzerland's position could come from the labour situation. The watchmaking industry suffers generally from an acute shortage of labour and from a general move away from the watch assembly lines. The jobs are generally poorly paid and performed increasingly by married foreign women. The watch industry would have been the first to suffer from a successful Schwarzenbach Initiative last year. The question that remains is how to automate and modernise yet further. This problem will only be solved when it is structured in financially powerful units and when more engineers will be attracted towards it. This will necessarily take time and one can only hope that its future will not be jeopardised by a renewed Schwarzenbach Initiative or a new xenophobic movement.

(PMB)

THE ZURICH GROUP

ZURICH INSURANCE COMPANY
(a limited Company incorporated in Switzerland in 1872)

THE BEDFORD LIFE ASSURANCE SOCIETY LTD.
(an associate member of the Life Offices Association)

THE BEDFORD GENERAL INSURANCE COMPANY LTD.
(a member of the British Insurance Association)

UNDERTAKE ALL
CLASSES OF INSURANCE
BRANCHES THROUGHOUT THE U.K.

HEAD OFFICE:
FAIRFAX HOUSE, FULWOOD PLACE
HIGH HOLBORN, LONDON, W.C.1

Telephone 01-242 8833

GROUP RESOURCES EXCEED £500,000,000