

CHINESE TOURISTS REVIVE THE LUXURY WATCHES MARKET IN FRANCE



Luxury watches sales increased by 8% in France in 2017, largely thanks to the return of Chinese tourists to France, after a loss of interest linked to the terror attacks, now the watch market is revived.

"Watches are making its way out of the crisis, so much so that watches have become the main contributor to the development of the entire sector of watchmaking–jewelery–goldsmiths," summarized the professional committee Franc clat in its annual report published recently .

Down by 6% in 2016, watch sales in France recorded a growth of 4% in value for 2017, for a total turnover of 5.6 billion euros.

"The return of tourists, especially Chinese tourists, largely explains the resumption of watch purchases," summarizes Franc clat.

The number of Chinese tourists who visited Paris and its region, which will be made public next week, is expected to increase significantly for 2017, after a year 2016 marked by a drop of 21% (268,000 visitors less). According to the Bank of France, which assesses tourism receipts, a Chinese tourist spends on average 1,647 euros during his or her stay in France.

"Foreign visitors are a part of the market that we do not always think about, but that has a direct impact, and we can clearly see it in the segment of the luxury watches in 2017," says AFP Herv  Buffet, general delegate of the committee.

"The Chinese buy a lot in Paris and represent a huge potential, that's why we must improve the reception and security," adds Hubert Lapipe, CEO of Company 5, which contributes to the annual data.

If the total number of watches sold (12 million) in France decreased in 2017 compared to 2016, their value has soared: the most expensive category – that is, watches costing more than 5,000 euros – has thus registered a jump of 8%, whereas it had dropped by 10% the previous year.

This high–end segment represents only 0.5% of watch sales, but accounts for 33.6% of total watch turnover.

"There is no limit in terms of price, we have watches that can reach stratospheric prices because of the

rarity of the movement, or the addition of diamonds or rubies. And these luxury watches for more than 5.000 euros are often only for Swiss manufacturers or French brands manufactured in Switzerland, "says Hervé Buffet.

For Hubert Lapipe, the growth of the luxury watches segment "is even higher, in fact", to the 8% reported in the report, "because we only count the watches bought for oneself, without taking into account therefore the purchases that the Chinese also do for others and they bring back to China."

In the other ranges, **watches costing between 1,000 and 4,999 euros also saw their sales rise by 6% in value**, while those between 300 and 999 euros rose by 16%. In terms of smart watches, "the Apple Watch is good for the market and the dynamism," said Mr Lapipe, who also highlighted the importance of the segment "low prices" (less than 200 euros).

As for online commerce, watchmaking is also ahead of jewelry: the purchase of watches online reached 8.4% last year, a change in consumption patterns that is accentuated while Internet sales still account for only 5.8% of jewelry sales.

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