

A Tariff-ick Season

Watchmaking is never isolated from the world around it, and with tariffs in place, a season of caution lurks. Key voices in horology shed light on sustaining momentum amid shifting economic tides.

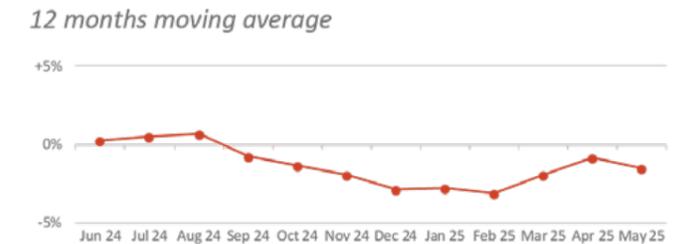
In Geneva, spring marks more than just blooming magnolias; it signals the return of horology's finest expression, blending a time-honoured craft with technique. This year, registering a record number of visitors, the high horology gala, Watches and Wonders, indulged collectors and enthusiasts alike with a wealth of new releases, storytelling, and simulation booths. From retrograde seconds to slimmer, high complications, new movements encased in 18ct gold, and métiers d'art dials,

today's timepieces combined skill with a bold, modernist edge. Yet, beneath the sharp glimmer of novelties, a quieter, more pressing dialogue emerged: one that could redirect the course of horology in the months to come.

No, we're not delving into case materials or complexities just yet — our focus remains on tariffs. In a "Liberation Day" trade speech, U.S. President Donald Trump imposed a 10% baseline tariff, targeting over 100 nations, that has quietly rattled the global luxury landscape. With the new levies in



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place, early signs suggest that the ripple effects could extend well beyond American borders, subtly influencing global supply chains and pricing strategies. While nations hustle for friendlier trade terms, it becomes essential to assess how the market is adjusting to this tariff-laden climate.

That being said, if history is any indication, the watchmaking industry will do what it does best: adapt and evolve.

ACT OF RESILIENCE

Inside the Palexpo at Watches and Wonders 2025, quiet murmurs among discerning attendees hinted at cautious optimism. For an industry marked by resilience and reinvention, luxury watch insiders viewed the current headwinds not as a disruption, but as a moment of caution. Echoing those sentiments, Erol Baliyan, Managing Director, Franck Muller, tells *GMT India*, "There's an uncertainty in the market now, and yes, a small slowdown is approaching. But this isn't absolutely new. Over the years, we've seen shifts in the market dynamics, and the latest one calls for a tactful strategy."

Notably, the response to a steep 31% tariff in April was received with swift action. Exports recorded a growth of 18.2% in April, reaching a total of 2.5 billion francs, as reported by the Federation of the Swiss Watch Industry. The survey also credited this rise mainly to early shipments, motivated by the increase in U.S. customs duties. On the other hand, legacy brands such as Rolex, Patek Philippe, Audemars Piguet, Omega, and Breitling responded with carefully calibrated prices, adjusted to the U.S. market. These subtle shifts appeared both strategic and preemptive. Whether these reflected one-off reactions to uncertainty or deeper signals of demand

was revealed through the subsequent chain of events.

In an unforeseen turn, a fresh survey by UBS, the multinational investment bank headquartered in Zurich, Switzerland, reported that Swiss manufacturing rose sharply in June, reflecting hope that a solution to the ongoing tariff spat could be closed sooner. It also added that the Purchasing Managers' Index (PMI) — which measures how busy factories and businesses are — went up to 49.6 (May) from 42.1 in the previous month. Call it Swiss serendipity in action? That jump is one of the biggest increases ever recorded, signalling recovery — though the market hasn't fully bounced back yet.

TIMES TEST AGAIN

While the market rebounds with shaded restraint, its mettle will be tested by the prevailing economic tides. Looking back at history shows how this isn't the first time horology has had to navigate turbulent waters. From the Quartz Crisis (1970s) to the 2008 financial meltdown and the pandemic-era slowdown, the luxury watch industry has endured its share of upheavals.

At Tissot, the brand's journey reflects this arc of resilience. As a global player, it hasn't been immune to disruption. "The pandemic was a clear example: it disrupted supply chains, accelerated the shift to digital, and tested our ability to meet demand, especially for high-interest launches like the PRX," notes the brand spokesperson. Adaptability, they say, is part of their DNA. "During the COVID-19 crisis, we advanced our digital transformation and significantly expanded our e-commerce presence. We embraced livestreaming and online platforms, particularly in China to stay connected with our audience and meet their needs in real time." In a climate where uncertainty is the only constant, the ►►





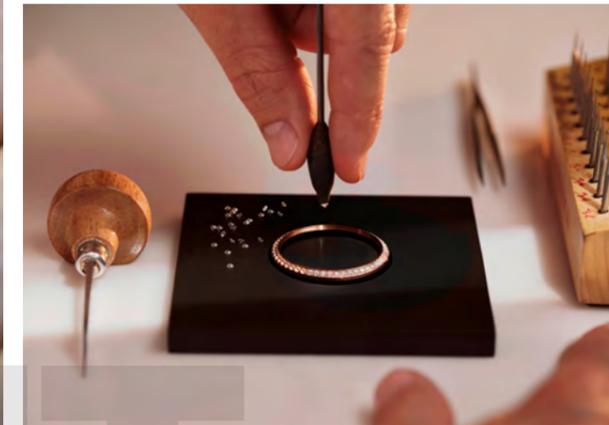
Costantino Bulgari and Laura Gulienetti, London 1936
(Bulgari Historical Archives)

Solargraph showcasing versatile dials and modern materials. Rolex introduced the understated Land-Dweller, with its silhouette subtly echoing the integrated bracelets of vintage Oysterquartz and Datejust models. A shift in gears — there was a visible inclination towards tried and tested codes, a reaffirmation of legacy through form.

At the house of Bvlgari, a similar trend was noticed. The latest iterations of its Tubogas and Octo Finissimo lines build on archival cues, evoking the golden era of Italian design with a contemporary lens. As Fabrizio Buonamassa Stigliani, Bvlgari's Product Creation Executive Director, explains, "The constraints encountered in the initial days are the most interesting, as they often drive the aesthetic." It's a story in the making — one that taps into chronicles not as repetition, but as thoughtful, continual refinements.

Further, a deeper look at the novelties revealed more than just technical brilliance; they responded with a shade of resilience. Blue proved to be the defining shade for several brands this season, with Audemars Piguet, Zenith, Chanel, Panerai, and Hublot leading the charge. At Zenith, the brand applied this shade to their most iconic chronographs, namely Chronomaster Sport, DEFY Skyline Chronograph, and Pilot Big Date Flyback. Different in function and style, but alike in tone, blue signalled a composed response to caution. Designers leaned into the shade not just for its visual elegance, but for its emotional resonance as well. But, why blue? For Romain Marietta, Director of Product Development and Heritage at Zenith, the answer lies in its quiet versatility. "In watch design, blue allows for versatility in design while also offering a sense of comfort," he explains.

Though innovation was cautiously explored within established bounds, the atmosphere was not entirely



Tissot representative underscores a larger industry truth, "As a brand, you must be ready for every eventuality. Challenges are part of growth. What matters is how you respond — and at Tissot, we respond by staying true to our heritage while always focusing forward."

As for seasoned collectors, their passion runs deeper than pricing pressures — tariffs alone won't deter their pursuit. An India-based collector, who prefers to remain anonymous, explains why such economic shifts do little to influence his collecting journey. "I buy luxury watches as a statement of trust in the future. For me, these pieces are more than just functional — they represent status, heritage, and investment potential," he says. While a price hike may prompt a moment of pause, it's unlikely to deter veterans from eyeing their next coveted piece. For him, the emotional and symbolic value tied to a timepiece far outweighs the cost. "As long as those associations remain intact, so will my willingness to invest," he shares.

MOOD MEETS MATERIAL

Alongside the market's measured outlook, timepieces unveiled this season subtly echoed the mood. Periods of economic uncertainty have long left their imprint on watchmaking, prompting a retreat from excess and a return to elemental forms. This year, at Watches and Wonders, that instinct surfaced once more. Amid global headwinds and shifting trade dynamics, caution also seeped into the language of design. Across brands, novelties signalled a renewed fidelity to signature codes — restrained, timeless, and familiar. TAG Heuer is a fitting case in point. The brand revisited its 1986 Formula 1 watch with their latest



Blending modern flair with timeless savoir-faire, Piaget introduced the Sixtie — a nostalgic nod to its iconic sautoirs and cuff watches.

subdued. Players like Hublot broke away with their signature flair, unveiling showstoppers under the Big Bang collection while H. Moser & Cie. injected vibrant bursts of colour into the palette. Bvlgari, never far from a headline, pushed the boundaries of mechanical minimalism with the astonishing 1.85mm Octo Finissimo Ultra Tourbillon, proving that even in a season of caution, watchmaking's capacity for daring innovation remains very much intact.

INDIA'S LUXURY ASCENT

Amid shifting tides in the West, the markets emerging in the Middle East, India, and China are drawing renewed interest for their luxury-fuelled appetite (2025 Trinity Asia Watches & Jewelry Report). In a season marked by global caution, India, in particular, emerges as a high-potential market for luxury watch brands, buoyed by strong demand and rising affluence. The India-Switzerland trade deal is set to gradually eliminate tariffs on Swiss watches, unlocking broader access and strategic opportunity for watchmakers. Baliyan echoes this growing momentum with Franck Muller's active expansion across India. "Our existing Indian clientele continues to show strong interest," he notes, "but what's truly exciting is how retailers are redefining collectors' engagement with Franck Muller."

As forging deeper relationships with collectors becomes increasingly imperative, brands are rethinking how meaningfully they can engage with their clientele.

Personalised outreach and curated experiences, tailored to suit eclectic tastes, are more crucial than ever. Echoing this shift, Hublot CEO Julien Tornare underscores the importance of the "Hublotista" community, a gesture aimed at strengthening bonds with loyal patrons. From private factory tours to exclusive brand events, Hublot's experiential strategy reflects a growing emphasis on intimacy, particularly with Indian collectors. In times of economic strain, meaningful connections with collectors could serve as a buffer, reinforcing resilience in a shifting market.

TICKING THROUGH TURMOIL

Despite measured steps, the watchmaking industry finds itself navigating a tricky path. Inflated prices, narrowing profit margins, and complicated global supply chains — the tariff stings, quite literally. While the entry to mid-level segments feel the sharpest impact, even high-end brands are working to cushion the shock. If there's any bright spot amid the turbulence, it's the industry's proven ability to adapt and endure. As these pressures play out, brands are expected to double down on legacy, optimise manufacturing, and tap into the momentum of emerging markets. Just as vital will be how they continue to captivate both long-time enthusiasts and a rising wave of new collectors, regardless of tariff headwinds. After all, the prestige of Swiss watches remains too deeply rooted to be overshadowed by shifting trade dynamics. ⌚