

europa star

WATCH AFICIONADO



WEB & IPAD
SPECIAL



PATEK PHILIPPE
GRANDMASTER CHIME REF. 6300
A SYMPHONY OF
20 COMPLICATIONS

www.watch-aficionado.com



Tiffany CT60®

From the Inventors of the New York Minute

TIFFANY & Co.

NEW YORK SINCE 1837

OUTBREAK OF HOSTILITIES

by Pierre Maillard,
Editor-in-chief

“ To saturate is to combine, mix or dissolve different elements until it is impossible to add more.” Isn't this precisely what is happening today with high-class Swiss watches? By “high-class”, we mean the overwhelming majority of mechanical watches

produced in Switzerland; indeed, for most people on our planet, spending CHF 1,000 or more for a watch is a quite a luxury.

For some twenty years – one generation – Swiss watchmaking has combined its mechanisms and introduced all sorts of complexities, mixed shapes and materials, dissolving its initial primary function as a time indicator. To the point where it has become impossible to add more – which fits the definition of saturation cited above.

The watch market is indeed full to the brim with a wide variety of products. Highly inventive, ingenious, stunning, beautiful and sometimes crazy watches (over-saturated, perhaps?) are hitting the market at an increasing pace, driven by the rhythm of the fashion industry. However, the built-in obsolescence of a little summer dress, designed to last just one season, should bear no relation to the lifecycle of a mechanical watch, one of the primary qualities of which is precisely its permanent challenge against obsolescence. This type of growth model has been fostered by expanding watch distribution networks – a geographical expansion signalled by the opening of new markets, such as China or Russia, but also what we might call a “vertical” expansion. Within mature markets, brands have rebuilt their own distribution networks by opening their own-name boutiques ... saturating the market to such an extent that it is impossible to add more (better close some).

Further growth can thus only be achieved by taking market share from other competing operators. Consequently, «the area of the struggle is extending», to paraphrase the title of a famous book by French writer Michel Houellebecq.

New anticipated growth drivers or new «watch Eldorados», whether in Asia or elsewhere, will not fully replace old, saturated and exhausted markets. One can therefore reasonably expect an outbreak of hostilities.

One upstream watchmaking sector is already facing serious turbulence: the supply of Swiss mechanical movements now far exceeds current demand. In this issue, we dedicate a special dossier to this complex and potentially conflictual situation, which may well forecast what is about to happen – or is already happening? — further downstream. So, should we expect a new wave of consolidation?

And yet, at the same time, there is an astonishing burgeoning of new watch companies, like fresh spring growth. Brands are popping up as if by spontaneous generation, many of them created through crowdfunding platforms. Not all of these newcomers will be successful, but some of them may become the future players of a revised and updated watchmaking industry. We shall certainly be revisiting this issue. ■



Photo: The deputy firing a .38 caliber revolver straight at his chest. (National Photo Company Collection/Library of Congress, Washington, D.C. (colored version: zuzahin))



**PATEK PHILIPPE
GRANDMASTER CHIME REF. 6300**
Caliber GS AL 36-750 QIS FUS IIRM
Manually wound mechanical movement, 20 complications, chiming mechanism with 3 gongs and 5 different time strikes (Grande and Petite Sonnerie, minute repeater, alarm with time strike, date repeater); second time zone with day/night indicator; instantaneous perpetual calendar (date on both sides, day of week, month, leap-year cycle, four-digit year display, 24-hour and minute subdial, moon phases, strikework mode display, strikework isolator display, alarm ON/OFF, crown position indicator, and power reserve indicators for the movement and the strikework. www.patek.com



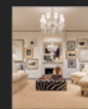
EDITORIAL
Outbreak of hostilities



COVER STORY
Patek Philippe Grandmaster Chime Ref. 6300:
A symphony of 20 complications



SPECIAL REPORT – MECHANICAL MOVEMENTS
Stormy weather for movements
Who does what? Who thinks what?



MARKET FOCUS
The Promise of Iran



BRANDS
Corum: in the middle lane
Citizen's changing times
The fairer sex in the eyes of Ralph Lauren



ARCADE EUROPA STAR
All eyes on Anonimo
Jean Marcel, vertical limit
Olivier Savéo, back to baroque
Greco, a watchmaking meteorite



PORTRAIT
Cindy Livingston: the end of an era



KEEP CALM & CARRY ON
Brexit: Brewing Exit?

LAKIN@LARGE
If you can't fix it, Brexit

SPOTLIGHTS
The Movado Edge: an icon revisited
Casio Edifice EQB-600 Smartphone Link Series:
The world at your wrist

Read all articles on
www.watch-aficionado.com



PATEK PHILIPPE GRANDMASTER CHIME REF. 6300

A SYMPHONY OF 20 COMPLICATIONS

Taken in the context of Patek Philippe's history, it's a pretty major event. The new Patek Philippe Grandmaster Chime Ref. 6300 has just unseated the famous Sky Moon Tourbillon Ref. 6002 to take the title of most complicated wristwatch in the Geneva watchmaker's current collection. That's to use the concept of "current" in its broadest possible sense, since the extreme complexity of the watch dictates a very limited annual production, which means that the Patek Philippe Grandmaster Chime Ref. 6300 will remain a very rare timepiece indeed. It will also be highly sought after, representing as it does the culmination of the long and illustrious history of Patek Philippe and its enduring love affair with chiming watches – a history that goes back more than 175 years.

by Pierre Maillard, Europa Star

MASTERY OF SOUND

The movement of the Patek Philippe Grandmaster Chime Ref. 6300 comprises 1366 components, with a further 214 in its reversible case. It boasts 20 complications (see list below), including five different chiming functions. These five functions tell the entire history of Patek Philippe's patient mastery of sound complications in all their richness, complexity and mechanical potential.

Unfortunately, it is beyond the scope of this article to go into detail about the watchmaker's "conquest" of sound (a wonderful book entitled *Répétitions Minutes*, published by Patek Philippe, tells you everything you need to know). Let us simply say that the story began on 4 September 1839, barely five months after the company was created, when a sum of money



CALIBRE
GS AL 36-750 QIS SUS IRM
TIME SIDE

was exchanged for a pocket watch with a quarter-repeater. It was the 19th watch made by the fledgling firm, what we would probably call a "startup" today. From that moment on, the history of chiming watches and the history of the Geneva watchmaker would be inextricably linked. Since its first minute repeater, which was sold in 1845, and throughout the next 60 years, Patek Philippe would produce many variations on the theme of repeaters, combining them with all manner of complications: perpetual calendars, flyback chronographs, time zones, equation of time, etc. Through this process, the pursuit of ever-smaller movements and components led to the creation of the first repeating wristwatch, a ladies' five-minute repeater created in 1916. From 1925 minute repeaters joined the company's regular output while remaining somewhat exceptional, since production never exceeded the tens of units.

The first wristwatch to feature a minute repeater in combination with other complications – in the event a perpetual calendar with windows, indication of the date by hand and moon phase – dates from 1939. Up until the 1960s, when demand regrettably began to decline, some thirty minute repeaters were produced. In the '80s, however, Philippe Stern, who had a hunch that exceptional mechanical watchmaking was due to make a comeback, authorised the production of two minute repeaters

with complications, using old blanks from the Vallée de Joux (Patek Philippe traditionally finished and assembled movement blanks from other suppliers). Although they were the last to be made in this way, they effectively ushered in a new era, of which the Patek Philippe Grandmaster Chime Ref. 6300 is part, was symbolically marked by the famous Calibre 89, manufactured to celebrate the company's 150th anniversary in 1989. To produce this exceptional piece, an acoustic research and development laboratory was virtually set up from scratch, and it would lead to birth of a new generation of chiming watches. The 33 complications of the Calibre 89 include a minute repeater, a Grande Sonnerie and a Petite Sonnerie. This phenomenal achievement was quickly followed up with an ultra-thin automatic minute repeater with a patented micro-rotor, and an automatic version with perpetual calendar, both of which made the most of the technical advances that had been made for the Calibre 89, and which were also launched as part of the 150th anniversary celebrations. A new generation of striking wristwatches would see the light of day, culminating today in the Patek Philippe Grandmaster Chime Ref. 6300.

DECISIVE IMPROVEMENTS

This new generation of chiming wristwatches would not have seen the light of day without the research undertaken in pursuit of the Calibre 89. For the first time, pure watchmakers were supported by engineers. The specially created workshop set to work immediately to solve certain technical "problems" that had hitherto been somewhat neglected. One such issue was the rather unpleasant buzzing that sometimes detracted from the tone of the gong. This background noise was a mechanical side-effect generated inside the regulation system of the chime's recoil escapement mechanism. Some attempts were made to fix it back in the 19th century, but the problem never really went away. Patek Philippe's engineers developed a solution by using a completely silent flywheel that would open and close depending on the speed, thus regulating the rhythm and duration of the strike. The pure tones could finally be fully appreciated, without any interference.

Another notable improvement, and one that marked a break with tradition, was the design and production for the first time of an automatic minute repeater. This was achieved through an off-centred micro-rotor (inspired by the Calibre 240, a very slim Patek Philippe movement). The main advantage of this solution was that it left the centre of the movement clear for the minute repeater mechanism, thus keeping the movement acceptably

slim and leaving room for further complications to be added without the finished watch becoming unwieldy.

This cleared the way for future developments, such as the advent just a few short years later of the Ref. 3939, a tourbillon minute repeater, which successfully joined the company's main collection.

Finally, the engineers attacked the formidable central issue of the gongs, the key component of a chiming watch, production



CALIBRE
GS AL 36-750 QIS SUS IRM
CALENDAR SIDE



of which had virtually ceased in the 1960s. By seeking out some old watchmakers in the Vallée de Joux who were ready to give up some of their secrets (although not all...) and at the same time joining forces with Lausanne's prestigious technology institute, the EPFL, to launch research programmes in metallurgy, Patek Philippe was able to gain a better understanding of the variables involved in sound production, transmission and quality. This scientific approach, making use of accurately measured acoustic data that could be read off a graph, significantly improved gong performance. It finally became possible to measure variables such as sound intensity, rhythm, harmony, pitch, duration, warmth and richness, both accurately and reliably. Nevertheless, science has its limits, and the most important factor for a strikework complication is that the sounds it produces should complement its case perfectly. Given that each watch has its own individual character, this is not entirely predictable, which is why every striking watch produced by Patek Philippe is personally approved. These days, the buck stops with company president Thierry Stern who, after a series of painstaking acoustic trials, either passes the watch or sends it back to the workshop. ▶



THE 20 COMPLICATIONS OF
THE PATEK PHILIPPE GRANDMASTER
CHIME REF. 6300

- ❶ Grande Sonnerie ❷ Petite Sonnerie ❸ Minute repeater
- ❹ Strikework mode display (Silence / Grande Sonnerie / Petite Sonnerie) ❺ Alarm with time strike ❻ Date repeater
- ❼ Movement power-reserve indicator ❽ Strikework power-reserve indicator
- ❾ Strikework isolator display
- ❿ Second time zone ⓫ Second time zone day / night indicator
- ⓬ Instantaneous perpetual calendar
- ⓭ Day-of-the-week display ⓮ Month display
- ⓯ Date display (both dials) ⓰ Leap year cycle
- ⓱ Four-digit year display ⓲ 24-hour and minute subdial
- ⓳ Moon phase ⓴ Crown position indicator (winding / alarm setting / time setting)

PERPETUAL CHIMES

In October 2014, for its 175th anniversary, Patek Philippe unveiled a commemorative collection which included the company's first wristwatch with both grande and petite sonnerie, in a limited edition of seven. The calibre within, whose complex construction is matched by its name – the GS AL 36-750 QIS FUS IRM – also drives the new Patek Philippe Grandmaster Chime Ref. 6300, now part of the manufacture's current collection. This timepiece is the end product of all those years of research, which not only opened up the full potential of sound complications, but also led to the development of new solutions for combining strikework mechanisms with other complications. In a way, it represents the consummation of Patek Philippe's patient and rigorous approach. Nevertheless, the watch's extreme complexity is no obstacle to everyday wear.

The reversible double-sided case (activated by an ingenious patented rotation mechanism which is both secure and very easy to use) nestled between the bracelet fittings means it is possible to wear the watch with either one of its dials uppermost. The essential information – hour, minute and date – is displayed on both dials, but the opaline ebony black dial is devoted largely to the various strikework modes, while the white opaline dial showcases the instantaneous perpetual calendar.

On the **TIME SIDE**, the watch offers a symphony of time, with grande and petite sonnerie, minute repeater, an alarm and a date repeater that strikes the date on demand.

Twin barrels dedicated to the strikework modes provide a 30-hour power reserve and guarantee that the watch will continue to strike all day without the need for manual rewinding.

The grande sonnerie automatically strikes the hours with a low tone, and the hour and quarters every quarter-hour (with triple strikes on three gongs, rather than the more usual double strike). The petite sonnerie does the same, without repeating the hour count on the quarter-hours.

The minute repeater strikes the time on demand, sounding the hours, quarter-hours and minutes since the last quarter. The alarm offers a function hitherto unseen in a wristwatch: it sounds the alarm time with the complete melodic sequence of the minute repeater.

Another patented acoustic innovation is the instantaneous date repeater, activated by a pusher on the caseband. The tens are marked with a double high-low tone, and the units with a high tone. (So, for the 25th of the month, it would strike the following sequence: ding-dong, ding-dong, followed by ding-ding-ding-ding.)

The time side also displays hour and minute in local time, the hour in a second time zone, alarm time, perpetual calendar date, moon phases, strikework and movement power reserves,



sonnerie mode indicator, on/off indicator for the sonnerie and alarm, crown position indicator (push in to wind the movement in one direction and the strikework mechanism in the other, pull out halfway to set the alarm, and all the way to set the time). The strikework mode is set by means of a small slider at 9 o'clock.

The **CALENDAR SIDE** offers a range of perpetual calendar displays that, except for the year, all jump instantaneously and concurrently. This means that the information for the patented date repeater mechanism is accurate even just before or after midnight. The perpetual calendar indications are shown with hands on four subdials arranged around the central four-figure year window. The month is at 3 o'clock, the date and leap year indication are at 6 o'clock, the day is at 9 o'clock and the 12 o'clock register shows the 24-hour time with hour and minute hands. Thanks to a patented mechanism, the year can easily be adjusted backwards or forwards using two pushers.

AN EXCEPTIONAL CASE FOR AN EXCEPTIONAL MOVEMENT

Engineering and watchmaking joined forces to achieve greater mastery of sound; engineering and craftsmanship likewise came together to create an exceptional case. The rotation mechanism concealed within the bracelet fittings is perhaps the most striking example. The highly user-friendly patented system allows the watch to rotate around the 12 o'clock / 6 o'clock axis and lock the sizeable case – 47.4 mm in diameter and 16.1 mm thick – securely into place.

The extraordinary white gold case is decorated with a rarely seen hand-guilloché Clous de Paris hobnail pattern. This particularly elegant motif is one of the company's iconic designs, although rarely seen in grand complication watches. The hobnail motif is repeated on the opaline black dial. The white gold applied Breguet numerals and hands and white-printed scales ensure optimum legibility. On the calendar side, the four black sub-dials with their black oxidised steel hands stand out clearly against the white opaline dial. The year is displayed in the dial centre, in a discreet white gold frame.

There is one more user-friendly detail: the pushers on the case flank have engraved labels to explain their functions, and the mode indicators on the black opaline dial make it easy for the wearer to see which functions are activated at any given time. Finally, the Patek Philippe Grandmaster Chime Ref. 6300 is mounted on a shiny black alligator strap with large square scales and hand-stitched contrast seams, perfectly complementing the white on black / black on white of the double dial. ■



VINTAGEMANIA

The fashion for vintage which has boomed over the course of the past decade concerns not only watches – far from it. Vintage is everywhere, in cars, fashion, home furnishings, music, cooking, cinema, even video games, as proven by the seemingly contradictorily named Web site: geek-vintage.com.

What's behind the phenomenon?
Of what is it symptomatic?
Who is it affecting?

by Pierre Maillard, Europa Star

The word “vintage” emerged in the early twentieth century, first of all in English before spreading to other languages, and originally referred to Port wines of a particular year (at least 10 years old) as opposed to blends, a mixture of ports from several harvests. Only afterwards did use of the word spread to the automobile sector and then, by extension, to any object in its original state from a past that was recent, but definitively over. In other words, an eighteenth-century pocket watch is not vintage, but antique, while a wristwatch from the 1950s or 60s will in the immediate future be described as vintage, but not antique.

“Trendy hipsters sporting moustaches and vintage checked shirts, girls with fringes, poured into 1950s pencil skirts that are now back in fashion thanks to the series *Mad Men* (...): a strange retro fever has taken hold of our digital age. And it's infiltrating every object of daily life: from formica design furniture to cutting-edge cameras impersonating the film cameras of yesteryear, right through to the rutabaga on our plates! And what about vinyl, which is more than resisting the onslaught of dematerialised music...” enumerates the French daily, *Libération*, wondering what lies behind the trend.

That is not an easy question to answer. The persisting fashion for vintage, which has been gathering momentum for the past decade, is fuelled by a raft of social phenomena and anxiety-ridden times: nostalgia for the thirty glorious post-War years when everything seemed possible, when the consumer society took off, when morals were liberated and rock was born; the quest for durability, sure values, as an antidote to the present which is perceived as unstable, frightening and engaged in a race the end of which is nowhere in sight; the need to consume responsibly, the desire for authenticity and simplicity in the face of continually escalating technology and the dematerialisation of daily life... Numerous sociologists have already investigated the phenomenon; hot on their heels came the marketing experts, the inventors of the concept of “retro-marketing”.

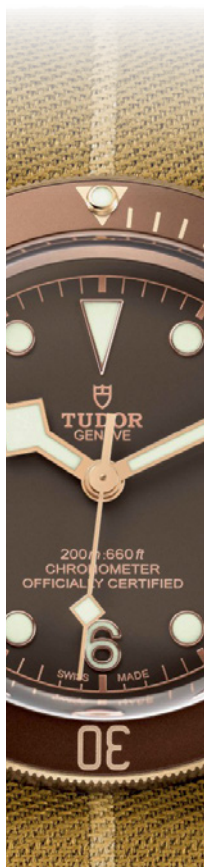
“For businesses, vintage has also become a selling point. ‘Consumers associate it with the notions of heritage, know-

how and quality’ underscores Nathalie Rozborski. This being so, brands play on the “codes” of vintage to suggest a certain authenticity in order to reassure consumers distressed by health scandals and the ravages of globalisation. Consequently, vintage packaging has taken over supermarket shelves in recent years. By creating the illusion of coming straight out of our grandmothers’ cupboards, these products suggest simple, authentic, tried-and-tested recipes”, *Libération* continues, and cites the example of a watchmaker: “Surfing on the retro wave is also an opportunity of making yourself part of a story. One textbook example: Bell & Ross. This luxury watchmaker has launched a collection of vintage watches inspired by the watches worn by 1940s aviators – a period the brand has never known, as it was created in...1994. Evoking a past tradition is also a means for the watchmaker of suggesting long-standing *savoir-faire*.”

The same kind of “retro-marketing” is flourishing in the watchmaking industry. But we are justified in asking which came first, the chicken or the egg. In other words, did the fashion for vintage start on the street and gradually impose itself on the brands, or was it the brands which, scenting which way the wind was blowing, got proactive and imposed this new model of “vintage”? A bit of both, no doubt.

TAG HEUER, THE PRECURSOR OF THE VINTAGE TREND?

In the world of watchmaking, TAG Heuer can certainly be considered to have played the role of precursor in this “return to the roots” that is the hallmark of vintage, in an operation master-minded by a certain Jean-Christophe Babin; by no great coincidence he was appointed CEO of TAG Heuer in 2000 straight from the consumer industry (Procter & Gamble), a sector which pays particular



attention to social changes. As early as 2003, he redesigned and re-issued the 1969 Monaco range, incorporating into it the most avant-garde models, thus merging technically advanced horology and “packaging” with a strong vintage feel. The following year, in 2004, he relaunched the Carrera, a 1963 model which had vanished from the catalogue in the 1980s: it was to become the brand’s number one best seller.

While in the early 2000s all the media spotlights seem to be focused on “excessive”, “baroque” or “mannerist” watches (as Europa Star termed the trends of 2003–2004), these revisited models rapidly acquired iconic status. The powerful marketing machine deployed at the time – featuring, notably, Brad Pitt – certainly had something to do with it, but is not “good” marketing all about scenting the next trend before the others?

Whatever the case, more than ten years later, re-issues of vintage models are now commonplace, and not only among Swiss watchmakers but even at Seiko, for example, which since 2013 has systematically re-issued certain former models in its Historical Collection. So it was that last year, Seiko simultaneously showcased four re-issues of its original Grand Seiko automatic 62GS, designed in 1967, and four re-interpretations of the same model equipped with the manufacturer’s most advanced mechanical movements (including the Hi-Beat 36’000 and Spring Drive calibres).

SIDE-EFFECTS

“What to invest in at the moment? And why not, instead of the traditional investments, collector watches?” the news magazine *Le Point* asked in the autumn of 2013, thus reflecting an increasingly widespread point of view, to the great satisfaction of the watchmaker brands. Because the fashion for vintage re-issues is not only surfing on the growing consumer taste for products

with the reassuring fifties or seventies look, it is also generating a certain number of side-effects – media exposure, first and foremost, but also a definite rise in popularity ratings.

By re-issuing or copying one of its earlier models, watch brands are virtually sure of putting the spotlight back on their range and generating global curiosity for their products. This automatically raises their rating on the pre-owned market and also ratchets up media exposure, fuelled by the specialist blogs, the numbers of which have experienced exponential growth in recent years.

So have vintage watches also become “safe-haven” investments?

When you know that a watch automatically loses more than one-third or even 50 per cent of its value (VAT and sales margin) as soon as you leave the shop, you are reasonable in thinking that investing in a pre-owned vintage watch is far less risky than investing in a recent model. The famous Rolex Milgauss, an antimagnetic watch from 1953, is one extremely cogent example. Its rating has never ceased to rise since the early 2000s – exactly the time when the fashion for vintage took off. Just one example (but multipliable ad infinitum) cited by *Le Point* is “a Milgauss 6541 bought at Sotheby’s on 15 May 2011 for €65,000, which was to sell 18 months later at another auction house for €108,625.”

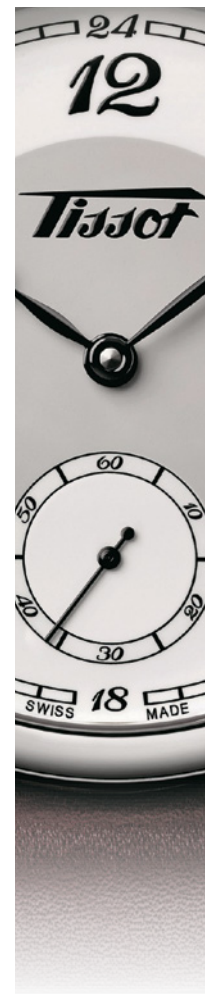
In rather the same way as with stamp-collecting in the past (though this has since lost its appeal), the slightest peculiarity of a model, a detail which is tiny but exists only on a limited number of dials or watches, or a particular denomination (think Rolex Comex) will send the price of the item soaring.

Well aware of this “philately fad”, the brands are making the very most of it, re-issuing further models destined for rapid entry into the virtuous circle of vintage, or even pseudo-vintage, products. One illustration, to stay with Rolex, is the 2014 re-

issue of another Milgauss, or this year’s presentation of a new Air-King (from 1945) over which the specialist bloggers have shed penfuls of ink: “The best part?” asks *Hodinkee*, “The dial bears the name “Air-King” in the same script as the ones from the 1950s”. And the name of Rolex is featured in green. It’s of this kind of micro-detail that vintage is made. But isn’t Rolex the champion when it comes to continuous re-iteration of historic models, with a limited catalogue of iconic watches, but in multiple variations?

A further example of the systematic shoring up of the ratings of historic or vintage models is Patek Philippe, another uncontested king of auction houses. Launched in 1976, a new Nautilus 3700/1A sold at around 2,300 euros (equivalent) at that period. Today, the same watch, now vintage, may go for between 20,000 and 25,000 euros depending on its state of conservation – slightly more than a Nautilus manufactured today. Begun in 1976, manufacture of the “Jumbo” Nautilus ceased in 1990 (the ladies’ model launched in 1980 ceased in 2006, at the same time as the average-size Nautilus and other auxiliary models). In precisely 2006, on the 30th anniversary of the collection, Patek Philippe organised a grand, global relaunch by subtly re-designing the case and dial, equipping it with a new, exclusive, in-house automatic movement, a sapphire crystal case back, etc., etc. Enough to fuel Nautilus-mania for the next 30 years and give an additional boost to the old Nautilus!

Deliberately limited production, special editions, close ties with auction houses, the growing role of bloggers... so many strategies which are steadily pushing up the ratings of vintage watches while allowing contemporary production to benefit from their aura. So the movement is a dual one – brand recognition benefits the rating of a brand’s vintage watches which, in return, raise interest in the brand and its current products. ■



JEAN MARCEL, VERTICAL LIMIT

This German family-owned brand can rely on its vertical counters and its ultra-thin collection to attract new customers. Indeed, it plans to enhance its international reputation. Meet the founder Jürgen Kuhn.

Contrary to what its name might suggest, the Jean Marcel brand is actually German, more precisely from Baden-Baden in the south. Launched in 1981 by Jürgen Kuhn (and named after an employee originally from French-speaking Switzerland!), it is now run by the founder and his son, Marcel. “We come from a family of Pforzheim watchmakers and my son, who is in charge of business development, is the fourth Kuhn generation in the watch industry,” proudly explains Jürgen Kuhn. Jean Marcel can rely on the strength of the German market, as domestic sales now represent 80% of its turnover. The brand is, however, Swiss-made: “We assemble our watches in Switzerland with partners, for a total production of about 3,000 watches a year (80% automatic and 20% quartz). Without exception we are using ETA automatic movements for our mechanical collection.”

Jean Marcel’s watches incorporate a feature that make them recognizable at first glance: the vertical configuration of the counters and the date on the dial — a registered innovation na-

med “Vertical Limit.” Another special, unprecedented feature: by blowing on the sapphire crystal, the condensation of your breath enables you to see the brand logo on the crystal. This is Jean Marcel’s secret signature, a magic created by temperature differences!



MYSTERY EFFECT

ULTRA-SLIM MODEL

“My goal is to design beautiful watches with real added value. The spirit of our creation is a combination of technical competence — which is not enough in itself — with an aesthetic design that arouses desire. Our ambition is not to make more watches but to develop even more exciting and innovative quality watches.” All Jean Marcel watches are marketed in limited editions of 300 pieces.

Jean Marcel recently launched a new modern, sporty collection called Mythos, with carbon inserts on the case sides and some highly distinctive top-quality Valjoux chronographs. Nano, an ultra-thin model under the symbolic 4 mm

(3.9 mm) limit, is lightweight with a sapphire crystal. “We get our ultra-thin movements from Isa. Moreover, I was inspired by the feeling you experience when you open the packaging of a new smart phone, to design a special, delicate, intriguing case for this watch.” This fall, Jean Marcel will finally be launching his first women’s collection under the name Émotion. There are round and square models featuring moon phases and mother-of-pearl components, but also sporty and classic models, as in all the company’s collections, which offer many variations.

REBOOSTING EXPORTS

While the brand has recently focused on the German market, it now seeks to expand internationally. “Ten years ago, we registered good results in the United States and the Middle East, but our partners have changed their management and we unfortunately lost our privileged relations on these markets. It is difficult to find good distributors but these are definitely two priority markets to develop.”

As with other watch brands, the economic situation has not been easy lately. “But 2015 was a good year for us, thanks to the strength of the German market! On the other hand, many companies have excessive stocks and do not know what to do with them. This is fortunately not our case because the sell-out is good. We are constantly investing in new collections and are continuously growing step by step.” ■ (SM)





STORMY WEATHER FOR MOVEMENTS

All crises are revelatory and speed up or crystallise – in the chemical meaning of the term – an embryonic situation. This is particularly true of the key sector of mechanical movements. The current watchmaking crisis – which we believe is not only situational but systemic – starkly reveals a serious issue: the current overcapacity in movement production. How did it come to this and who are the major players in this sector? What trends are to be expected? *Europa Star* has investigated.

by Pierre & Serge Maillard
In collaboration with Inès Aloui and
Pierre-Yves Schmid

Was it “written” from the start when Nicolas Hayek took the controversial decision to gradually cease deliveries of ETA movements to third parties? Was it imaginable at the time, in the wind of panic that started to blow among rival groups and brands, that this decision, deemed catastrophic at the time, would stimulate initiatives to such a degree? Today, while storm clouds are gathering and becoming a durable part of the landscape, supply now largely exceeds demand. To what extent? There is a basic method to do the maths: in mid-2016, Swiss watchmaking fell by about 16%. This figure roughly corresponds to the drop in ETA deliveries. But if, as Nick Hayek warned, ETA is effectively losing its dominance, which is not yet the case – far from it –, it is also largely due to the number of competitors that have acquired much greater independence.

HOW IT ALL STARTED

Everything started around 2002-2003 when ETA and the Swatch Group clashed with certain ‘finishers’. The latter included Sellita and La Joux-Perret. They organised resistance and, at the same time, considerably bolstered their own production means. And that is only one example. The decision taken by the Swatch Group to gradually reduce its sales of mechanical movements to third parties and ultimately end all deliveries, except for a few carefully selected brands, also gave a very serious boost to rival watchmaking groups.

The late Nicolas Hayek’s wishes to “*thus stimulate the development of alternatives*” came true, and well beyond his expectations. Despite the risk, almost 15 years on, of backfiring on his own group’s interests!

To deal with the threat identified in 2002, everyone started to gear up their industrialisation plans and win back their autonomy. Richemont made a considerable



effort with its own manufactures, TAG Heuer embarked on industrialisation, and Rolex achieved full autonomy. All this ended up by cutting the umbilical cord that organically linked Swiss watchmaking to ETA. Not to mention the countless independent initiatives that were taken, the specialisations and the whole field of innovations that opened up. Because demand was everywhere. Everyone wanted to own their own mechanical movement. But not everyone had the necessary means.

"We are not a supermarket here for your weekly shop," is what the Swatch Group essentially said. Indeed, for the past 30 years, the whole Swiss watchmaking industry had rushed to the aisles of ETA which offered a gamut of trusted, precise, tested and repairable movements. The most cunning players were quick to latch on. At the peak of the trend for mechanical watches, once they were properly packed, encased in gold and studded with diamonds, these rustic mechanical watches could fetch very large sums of money. Especially in the realm of new watchmaking conquests. Asia, the Orient, international hubs, new shopping malls, rich crowds of customers hitherto ignorant of watchmaking... Nicolas Hayek therefore had reasons to believe that he had become a cash cow, at least for some.

"We currently see that third-party orders have slumped to such an extent that we will no longer be in a dominant position by 2017."

Nick Hayek, Le Temps, 21 July 2016

THE 2012 DECISION

The COMCO, the Swiss Competition Commission, managed more or less to keep a close watch and, through legal action and compromises, kindness and dirty tricks, the decision was taken ten years later. In 2012, the Swatch Group was officially allowed to apply its timetable: *"a 15% reduction of deliveries of mechanical movements to brands using them for their own watches, and a 30% reduction to customers who also have a movement production unit but do not make their own completed watches."* That was just the beginning. As for strategic balance springs and assortments, for which the group holds a virtual monopoly (90%) through Nivarox-FAR, *"an initial reduction of 5% on 2010 orders"* was announced.

Today, with the advent of a systemic crisis that few headquarters had anticipated, what is the status of the supply of Swiss mechanical movements? Not forgetting that, in this new landscape, fresh ambitions are burgeoning. Citizen, for example, the global heavyweight in Japanese watchmaking, does not conceal its intentions and is calmly positioning its pawns in the Swiss game [see the article by Joe Thompson in *Europa Star International*]. Germany is seriously waking up. Nomos, for example, which became independent by producing its own movements and selling its reasonably priced watches successfully, has become a case study for others. Not to mention Chinese watchmaking, which our watchmakers still tend to look down on but which is spectacularly gaining ground in the improvement of its mechanical productions.

So the battle looks tough and some people we met in the industry even talk about a 'cold war' of movements. A 'war' that is particularly tough given that stocks are full. It is even said that some major brands have stockpiles for one or two years! Not to mention the many retailers who are brimming over with goods.

SUPPLY NOW EXCEEDS DEMAND

The obligation on ETA to deliver to third parties runs until 31 December 2019. In 2016-2017 ETA was authorised to deliver no more than 65% of what it had delivered on average between 2009-2011, 'equally' regardless of the customer. Has it stuck to this timetable? The question is worth asking.

"Have you heard it said that ETA lacked customers? I can't criticise my salespeople for wanting to sell," stated Nick Hayek to our colleague at Le Temps. *"We never said we didn't want to sell any more to anyone, but that we wanted to be able to choose our customers,"* he also explained. Is the ►



giant doing a U-turn? And what will happen between now and the fateful date of 2019? The situation is so confused that no-one will hazard a guess. The crisis has turned everything upside down. And we can't forget another factor: the arrival of the connected watch which has just further muddied the waters. What will become of the mechanical watch? Will it lose its status once and for all? No one we interviewed believes that scenario and all are convinced that the mechanical movement, that 'cultural product', is here to stay. In the meantime, the anxiety remains palpable.

"Within a year or so, the market will include too many manufacturers of entry level mechanical calibres priced between 50 and 300 francs. ETA has resumed delivery of movements, opening the door to very competitive prices," Valérien Jaquet, a manager at Concepto, in La Chaux-de-Fonds, told Europa Star.

"Supply of movements on the market is too high, it's becoming a real problem," added Jean-Daniel Dubois, of Vaucher Manufacture.

Sébastien Gigon, of Technotime, is extremely angry and does not beat about the bush, telling Europa Star that he is *"very surprised at ETA's U-turn, which we believe is unethical. You can't take legal action [through COMCO] to reduce deliveries, call on alternative solutions then change your position according to market conditions. It's neither consistent nor the right attitude for an industry leader. Nicolas Hayek Senior had a vision that saved the Swiss watchmaking industry. Now, the whole ecosystem is threatened. People have invested heavily. So is it all a Machiavellian plot to get rid of alternative*

suppliers? Ronda will also suffer, having invested 25 million francs. For the time being, we can't see any reactions among our competitors, but they will come. We cannot take ETA to court as they have taken all the right precautions through their legal advisers. We're attacking them from an ethical angle. Legally, we can do nothing but morally, it's not right."

Not everyone, however, is fundamentally upset at seeing ETA return to centre stage and put things back in order – as the "vacuum" created was rapidly filled, but not always with the most Swiss of pedigrees... Pascal Dubois, co-director of the Dubois-Dépraz movement manufacture and specialist of the additional module, present at the EPHJ show with a range of new features, agreed that *"when ETA closed the tap, it opened opportunities for 'cheats'. If reopening it may get rid of those that did not make genuine Swiss made movements, at least it will clean up the market."*

THE STATE OF PLAY

Against this strained backdrop and in these circumstances that offer very little medium-term (never mind long-term) visibility, several projects and developments, requiring heavy investment, are nevertheless coming to maturity.

At Baselworld this spring, ETA was back with a stand, after being absent since 2011. A stone's throw away, RONDA, previously restricted to the quartz field, where it is the only genuine credible Swiss competitor, launched its first mechanical movement with much fanfare. This development had been in the pipeline for several years and required very heavy investment – around 25 million Swiss francs. At the same time, Oris announced its intention to gear up with its own movements [on this subject, see our article in the previous issue of Europa Star 3/16]. Eterna Mouvement also announced new ambitions... These are just some of the

most representative examples. To establish the facts, Europa Star tried to take stock of the current situation.

Collating all this information and these opinions was not an easy task. People are obviously afraid of the giant Swatch Group. (The Swatch Group did not respond to our efforts to contact them or to our requests for interviews). In the past 10 years, ETA has continued major R&D efforts and has managed to develop COSC certified movements for watches under 1,000 Swiss francs on existing foundations and has managed to increase the power reserve of basic movements up to 3 days. ETA keeps these 'new', more high performing movements for the group's brands – which can be considered fair enough but which gives them a decisive competitive edge. *"The concentration process will continue during the current crisis and I am convinced that the major dominant groups secretly dream of the survival of only 30 or 40 brands,"* confided an anonymous specialist in the field. And very recently, in July, ETA increased its prices by 1.8% across the board (COMCO forces it to sell at the same price internally and externally). Meanwhile, a new battle is looming on the horizon. As another of our anonymous sources explained, *"ETA cannot afford to dump as they still have the monopoly. And according to the agreement with COMCO, it would be illegal for them to increase the number of customers to whom they deliver. They therefore want to modify this agreement so that, in the event of fewer orders being placed than expected by their current customers, they may be free to deliver to whomever they want."* This has not yet been settled. But a certain weariness, including at COMCO, is beginning to set in. This state of affairs has lasted too long. Some believe, *"we should now let everyone do what they want to do."*

Will the crisis lead to a consensus? No one can claim that yet. ■

THE ULTIMATE
SLIMNESS

JM
Jean Marcel
SWISS MADE WATCHES

nano

3900 μ



THE ULTIMATE SLIMNESS – ONLY 3.9 MM – AVAILABLE IN VARIOUS DIAL COLORS AND STRAP STYLES
JEAN MARCEL MONTRES GMBH · BADEN-BADEN · GERMANY · TEL. +49 7221 96 98 14 · WWW.JEANMARCEL.COM



LA MONTRE
MONSIEUR

18K BEIGE GOLD. CHANEL Manufacture movement with integrated complications.
Instant jumping hour, 240°retrograde minute, small second. 3-day power reserve.

CHANEL

MONSIEUR.CHANEL.COM