



# China's sphere of interest: Europa Star's Hong Kong show report

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After a long night flight from Geneva to Hong Kong, via London, I arrived in the HKG International Airport and familiar faces welcomed me – watches from Vacheron Constantin, Ulysse Nardin, TAG Heuer, A. Lange & Söhne and more. Banners, huge billboards and countless ads were all around from the moment I stepped off the aeroplane, reinforcing that Hong Kong, the “fragrant harbour,” is a centre for luxury watch sales.

At the HKTDC Hong Kong Watch & Clock Fair, however, the focus is mostly on emerging brands, companies looking to make a name for themselves, as well as OEM/ODM and other manufacturers.

Though 12 luxury watch brands did appear in the World Brand Piazza, sponsored by Prince Jewellery & Watch Company (Audemars Piguet, Blancpain, Breguet, Chopard, Franck Muller, IWC, Jaeger-LeCoultre, Omega, Panerai, Piaget and Vacheron Constantin), there were only a few high-end brands within the exhibition space.

## Getting my heart going

In its 30th year, the Hong Kong Watch & Clock Fair had more than 700 exhibitors from more than 13 countries, which can be a little overwhelming. In the main halls, there were a ton of brands that no one has ever heard of, along with OEM and ODM manufactures, as well as machinery, parts, boxes, straps and more. In other words, everything you need, from soup to nuts, to produce your own watch.

In the Brand Name category, there were companies that are striving to build their own brands, led by o.d.m., Solar Time (with Earnshaw,

Ballast and Swiss Eagle), Coronet, Chouette, AND Watch and more. There were also licence operators like Everlast, Fila, New Balance, Cosmopolitan and others.

It can be pretty confusing, so to add an interesting twist, I borrowed a heart rate monitor watch from Solus, a new product that makes measuring heart rate as easy as putting your index finger on the front of the case. As I viewed the different watches on display, I'd measure which watches got my heart beating faster. By the way, my baseline resting heart rate is 52 beats per minute (bpm).

## Alexis Garin – heartrate: 110 bpm

It figures that I would have to travel halfway across the world to discover a supremely talented watchmaker who lives in Switzerland's Jura Mountains. Garin has a small *atelier* in Les Verrières where he fabricates one-of-a-kind timepieces. At first, Garin thought he was out of place in the Brand Name Gallery, across from Cosmopolitan licensed watches. But by the third day, Garin was very enthusiastic about the show and the contacts he had made.

The watches Garin fabricates are stunning and worthy of finding a market anywhere and



SOLUS



WIZE &amp; OPE



ALEXIS GARIN

everywhere in the world. Garin knows that China will be a difficult market, but it's worth it to give it a try. "In China, they are looking for brand names," he admits, knowing that his name is not yet well known. "We are looking to deal directly with end customers, or to find a distributor in the Asian countries. So far, it has been very good. We only make about 30 pieces a year, ranging in price from CHF 50,000 to over a million." ([www.alexisgarin.ch](http://www.alexisgarin.ch))

### Wize & Ope – 85 bpm

Based in Paris, Wize & Ope is a reasonably priced (€49 – 99) brand aimed straight at young trendsetters. Wize stands for Wisdom

and Ope is for open mindedness, and the brand features watches, sunglasses, headphones and other lifestyle products.

"We like to play with small details, and Asia is where we started, so it is a great market for us," says Alexis Gaillard, Areas Sales Manager, Wize & Ope ([www.wizeandope.com](http://www.wizeandope.com)). "South America is really booming for us as well. We only sell about 100,000 pieces a year, but it's a healthy business."

The brand recently opened a boutique in Paris and is looking forward to opening several more this year.

### Edwin – 80 bpm

Edwin is a jeans manufacturer that started in Japan and has spread throughout the world. This year, for its 50th anniversary, Edwin has teamed up with Z Lab to launch a licensed watch line.

"Asia is the first step in the launch," explains Jeffrey Chang, Executive Director, Z Laboratory ([www.zlabwatch.com/zerone/](http://www.zlabwatch.com/zerone/)). "We actually worked with Edwin on a Zerone watch last year and it went so well, we decided to work together on the Edwin brand. We tried to follow their image, very subtle, using the lightest materials we could find. We opened up the movement because it's important that the customer sees that it's an automatic movement, as automatics are more and more important in this marketplace."

Edwin uses Miyota movements, as it's a Japanese brand and Z-Lab is the Miyota distributor for Hong Kong.

All of the Edwin collections start with ED or end with ED, which is a very nice touch.

### Beijing Watch Factory – 120 bpm

This movement and watch manufacturer, based in Beijing, is one of the big three – along with Shanghai and Sea-Gull – but their booth was hidden down one aisle and quite small.

I walked in and was treated to some real horological delights – automatics with double escapements, tourbillons, double tourbillons and even a minute repeater, all made entirely in-house by Beijing Watch ([en.bjwaf.com](http://en.bjwaf.com)).



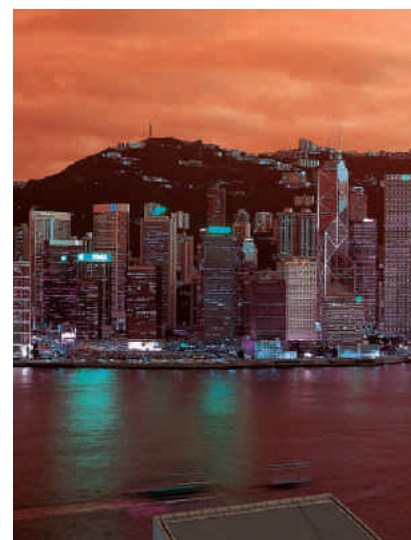
EDWIN





O.D.M.

AND



"Chinese customers are more attracted to the Swiss brands," admits Miao Hong Bo, General Manager, Beijing Watch Factory. "At least at first. After they buy the big brand names, then they start to buy Chinese and they come to Beijing."

Next year, Beijing Watch pledged to have a bigger presence at the show.

### **o.d.m. Design – 75 bpm**

Jane L.C. Tang, o.d.m.'s chief designer, was in the o.d.m. booth to introduce the company's newest watch called Quad Time, a digital watch with an angle sensor that switches the display depending on how you put on the watch.

"When I wear a watch, I often put it on the wrong way," she says. "As a result, I designed a watch where it doesn't matter how you put it on. The display changes so you can't put it on the wrong way." ([www.odm-design.com](http://www.odm-design.com))

### **AND Watch – 115 bpm**

Andrew Tse is the designer of AND Watch (using the first three letters of his name). Wanting to do something different, Tse's first product was the Very Tough Watch, which he tested to survive a fall from 10 metres. Introduced this year is the Urban Nature collection, with case and bracelet colours designed to mimic colours found in nature – like snow leopard, tortoise shell, seashell and more.

Using a material invented in 1904, cellulose acetate, but never used in the watch industry, Tse was able to achieve a very light weight with these great colours and designs. Cellulose acetate is better known as the material used to make eyeglasses, which makes it very durable and long lasting.

"We wanted to make a unique watch, and with this material, which has to be mixed individually, each piece is unique," Tse details. "In addition, the watches have to be finished by hand, which ensures that each one has small imperfections, making them all slightly different. So, I put 'Chinese Handmade' on every watch."

### **THE MOVEMENT SITUATION**

At the Hong Kong show, there was quite a bit of talk about movements. As Swiss movements are becoming harder and harder to get, even for Swiss companies, brands in Hong Kong are turning to other sources.

Japan has long been a supplier of quality quartz and mechanical movements. Miyota, part of Citizen, introduced a new chronograph movement and a new series of thinner automatic movements, 9 series, at the Hong Kong show.

Business is good for alternative movement makers like Miyota, mainly because the restriction of supply of ETA movements represents an opportunity for other companies to fill the void.

In addition, Chinese companies are picking up the slack at the lower end. Sea-Gull, for example, makes 300,000 mechanical movements a month, with clients all over the world. When asked about their production capacity, the folks at Sea-Gull were not concerned, as they had just moved into a large facility in the countryside outside Tianjin, China. Founded in 1958, Beijing Watch has grown to produce more than one million mechanical movements a year and in 2003 began to work on complicated movements. Armed with a staff of 600, including 50 watch technicians and about ten master watchmakers, Beijing now is attempting to make high-quality complicated watches.

"We are improving our quality," says Miao Hong Bo, General Manager, Beijing Watch Factory. "We do not have the same history as the Swiss and we have to learn from the way they make watches. Our best products are quite good, but the consistency is not as good as the Swiss."

Several attendees at the show, who preferred to remain anonymous, confirmed that some companies who have not been able to obtain ETA or even Miyota movements have found another way. "There are companies who aren't at this show because they can't get movements," says one industry insider. "They can't take orders for new product because they can't produce them."

"There is, however, an opportunity and the vacuum for movements is being filled by some smart companies," he continues. "These companies are finding a way around the Swiss Made regulations, importing Chinese movements into Switzerland and casing them (or reassembling and casing them) there, adding value to meet the current Swiss Made requirements. We still buy from ETA, but they are only for our top-end watches. We're not worried that we can't get more ETA movements, because we know we can buy from Sea-Gull and other Chinese companies."

As Nivarox spring delivery might begin to decline to companies outside of the Swatch Group, brands are scrambling to come up with an alternative source. Sea-Gull, however, was quick to point out that their springs are not nearly at the quality of Nivarox. Miyota, when asked about their springs, said that they didn't have the capacity to supply anyone else with springs or other components. Seiko was not at the show, but they do make their own springs.

The thinking through the industry, in Switzerland or other parts of the world, is that someone will step in and provide movements and springs in volume, as the opportunity is so obvious, but no one knows who it will be.



BALLAST

SWISS EAGLE



FIYTA

Retailing for \$100 - \$150, Tse had great response at the show. "We are looking for distribution all over the world," he says. "China doesn't really respond well to new brands, they want established brands. I think Japan and Europe will be the better markets for us."

### Fiyta – 93 bpm

To celebrate the 100th anniversary of the Republic of China, founded by Sun Yat Sen in 1911, Fiyta ([www.fiyta.com.cn](http://www.fiyta.com.cn)) has come up with a limited edition collection of *cloisonné* watches with very detailed miniature paintings of sites important to the revolution. The enamel is done by a specialist company in

Beijing, but the watches use ETA movements. The watches come in three different sets of five watches, for a total of 150 limited edition watches.

### Earnshaw/Ballast/Swiss Eagle: Solar Time – 89 bpm

Solar Time ([www.solartimeltd.com](http://www.solartimeltd.com)) has been busy, launching three new brands at the Hong Kong show. Taking a page from the Swiss book of tricks, Earnshaw debuted at the show, designed to honour an historic British watchmaker, Thomas Earnshaw.

"Earnshaw was known for his marine chronometers and we are developing the brand with automatic movements from Sea-Gull, with an emphasis on marine/diver watches," says Vishal Tolani, director of Solar Time. "We wanted to use the best Chinese automatic movements in a modern collection, while still hinting at the past. We have a lot of experience refurbishing Sea-Gull movements for our OEM clients, and the quality from Sea-Gull has improved a great deal.

"The target for Earnshaw is the new collector, someone who understands watches but isn't yet a buyer of Swiss timepieces," he adds. Not content with just one new brand, Solar Time also introduced Ballast, which is Swiss Made and based on military/submarine designs, and Swiss Eagle, a Swiss brand started in 1961 but laying dormant.

EARNSHAW



### Sea-Gull – 118 bpm

One of the key movement suppliers to the Chinese and worldwide watch industries (including more than a million mechanical movements this year to Fossil), Sea-Gull had a very large booth at the show, highlighting its movement technology. Introduced at this show was a special sapphire crystal tourbillon, as well as a tourbillon minute repeater perpetual calendar moon phase, a double tourbillon and a special tourbillon with music box alarm. ([www.seagullhk.com](http://www.seagullhk.com))

"We are doing very good business," says Keith Choi, Sales Manager for Sea-Gull Watches. "We currently make 300,000 mechanical

movements a month, as well as 100,000 Sea-Gull branded watches a year. For private label, we do about 60,000 complete watches a year."

### Coronet – 66 bpm

Coronet is a Hong Kong company that designed a brand new diamond setting using seven diamonds, six around one, pushing that central diamond up slightly higher than the other. The brand has more than 4,000 points of sale around the world, so the management thought it was time to introduce a watch to go along with the jewellery. The new Coronet timepiece ([www.aaronshum.com](http://www.aaronshum.com)) is a Swiss Made quartz watch that ranges in price from \$700 - \$6000, based on the amount of diamonds.

### Chouette – 81 bpm

Christie Wo, the owner of Chouette, debuted two new lines of watches at this show, one bestudded with Swarovski crystals and another using the Teslar technology.

"I am trying to build a Chinese brand and share my designs with people," Wo says. "I started with jewellery and then moved to watches. My favourite is the Hello Kitty watch, but I also love the Teslar watches, because they make me feel so upbeat and positive."

([www.chouetteluxury.com](http://www.chouetteluxury.com))

The Hong Kong show is a very interesting one. It's not the same level as Basel or SIHH, certainly, and the junk docked in the harbour isn't the only one at the show, if you know what I mean, but there are still some cool



watches, interesting materials, fun designs and companies, like the ones listed above, with real potential. As you can see, the best got my heart pumping. <

## THE DESIGN COMPETITION

*Every year, the Hong Kong Watch & Clock Fair has a design competition, both for students and professionals. This year, some of the designs are really interesting and worth us taking a look. Here are the best in the student category.*



#### 1. The winner: Globe Watch

The winning design offers a novel GMT display in which the two time zones are read off sub-dials against the background of a world map, which helps to clarify the two different time zones.

#### 2. 1st runner-up: Planning Watch

This futuristic design features a day planner that reminds the wearer of a pre-set activity at the correct date and time.

#### 3. 2nd runner-up: Tap Tap Watch

An interactive digital watch inspired by music, the Tap Tap Watch allows the wearer to strum out a beat in time with their favourite music by simply tapping on the watch.

#### 4. Merit award: Magical Time Device

Both watch and clock, this unique design features a see-through dial that allows the wristwatch to be placed on a special stand which can project the time on to a wall through a hole in the watch strap.

#### 5. Merit award: Day & Night

Using a Mobius ring design, this bracelet marks the passing hours of day and night with a graduation moving on the upper surface during daytime and the lower surface at night-time.

#### 6. Merit award: Five Elements

The five elements referred to are gold, wood, water, fire and earth. Each of them is represented on one of the five gear wheels visible through the transparent case.