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会見

INTERVIEW

## Baselworld 2017: Crossroads for the Watch Industry

Interview with Mr. Yasuhito Shibuya, Watch expert, journalist and magazine editor

Yasuhito Shibuya is an experienced journalist and magazine editor. Starting as a novel – and then magazine – editor, Mr. Shibuya, since 2007, has been a freelance journalist specialized in wearable products, lifestyle, and new trends. He came for the 23rd time to Baselworld where he kindly answered our questions.

*This is your 23<sup>rd</sup> edition of Baselworld; what are your impressions this year?*

After regular strong growth for more than 20 years in terms of volume and value, the watch industry is facing a crisis. Overproduction and high prices reached an unprecedented level which is not realistic anymore. The economic crisis and the anti-corruption legislation in China have had a negative impact on most brands. In consequence, the industry is changing its strategy; this year, it seems that many companies are more conscious about price setting.

*What kind of new functions or trends do you like in particular this year?*

New ideas are coming more from



Yasuhito Shibuya  
Journalist and Magazine editor

fashion brands than from traditional manufacturers. As an interesting trend, several companies focused on the simple fact of enjoying the time. Rather than adding more and more complications, Hermes has developed a model which allows you to set the dial for an appointment, and the watch will start a count-down. Once the count-down is finished, the watch warns you with a discreet sound. It's simple and convenient.

On the new "Mademoiselle" from Chanel, it's Coco Chanel's arms that indicate hours and minutes.

*Baselworld is not just about Swiss watches; what do you think about the Japanese brands?*

Japanese companies are strongly present in Baselworld this year. Seiko, Citizen and Casio have dedicated booths at the fair. Seiko presents "Grand Seiko" as an entirely separated brand by setting up an individual booth for the first time. With the acquisition of the Frederique Constant Group, Citizen is also indirectly present in the middle of the Swiss Brands' space. In a general way, Japanese companies are less impacted by the crisis and they are doing good business due to the fact that their prices are not so high compared to the Swiss ones. Even if the price is lower, the quality is at the highest level. We should not consider Japanese and Swiss watches as competitors; they inspire each other. (See our article dedicated to this topic on page 3).

*For the first time, Samsung is present at Baselworld. How can the traditional industry compete against those new giant players?*

## 会見

INTERVIEW

## Baselworld 2017: Crossroads for the Watch Industry

(Continued from page 1)

Smart watches are not, strictly speaking, watches. You can enjoy them in another way by changing the dial color, the strap, adding apps, etc. Traditional watches will remain. Some of them are probably going to have new features, but in most cases, customers are not the same. The question “who exactly are the potential customers for a smart watch?” remains unclear. Even Samsung and Apple have not found them yet. Most probably, fashion brands are going to invest in this sector by adding customization possibilities and by targeting social networks’ key people. But, for now, two problems persist. First, battery life is not long enough, and that makes it difficult to produce small watches. Second, a smartphone can still do almost everything a smartwatch can.

*What could the industry look like in ten years?*

It is difficult to predict how the technology will evolve, but I think that watches are going to be more and more a fashion statement for young people. On the other hand, traditional watches are going to become more like art pieces in the future. Most of the clients who like them are not going to change them

for an electronic watch. Some of them are maybe going to buy one for specific activities like sport, but most of the time they will keep the traditional ones.

What will be decisive for smart-watches in the future is marketing. If you want to sell new watches to new customers, you have to find a new story.



The new Hermès's booth; designed by the Japanese architect Toyo Ito

## 動向

SITUATION

## Business Conditions in Japan

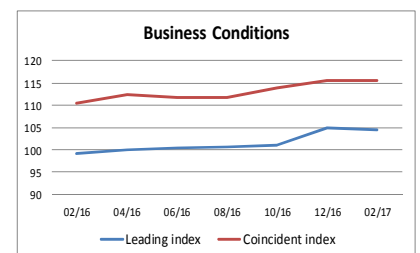
According to the Cabinet Office, the business conditions have been improving in Japan during the last 12 months. The Coincident Composite Index — which is used to identify the current state of the economy — is over 115 for the fourth consecutive month (the last equivalent results were in early 2014).

The Leading Composite Index anticipates the Coincident Index and

shows the trend of the economy. With three consecutive months over 104 points, the Leading Index reached its best level since mid-2015. Those results are congruent with small growth in private consumption and the expansion of investments in the last quarter.

The Bank of Japan expects a GDP growth between 1.3% and 1.6% for the next fiscal year (April 2017—

March 2018). In the last half-year report, the IMF estimates the Japanese growth at 1.2% for 2017.



Cabinet Office // Ref. year 2010=100

## Japanese Watch Brands at Baselworld

If Baselworld is the temple of the Swiss watch industry, Japanese knowledge is well represented at the trade fair. Mastering technological innovation as only few can do, Citizen, Seiko and Casio offer precision at the highest level. Hybrid technology between mechanical and electronic components allowed them to propose watches with just few seconds of delay in one month where most of the industry struggles to propose the same delay in one day.

With the Eco-Drive One, Citizen offers the thinnest light-powered watch in the world. Less than 3mm



Citizen: Eco-Drive One's movement

thick, this model offers a 10-month power reserve and is automatically recharged by light. The movement consists of 85 components and is only 1mm thick.



Grand Seiko handcrafted watch

For almost 60 years, Seiko have produced highly sophisticated watches under the brand "Grand Seiko" which are able to compete with the most famous Swiss brands. With the goal of produc-

ing the best watches in the world, Grand Seiko's watches are handcrafted exclusively in Japan. Grand Seiko will become an autonomous brand and will open its first own European shop in London in the following weeks.

Japan is also represented by talented independent watchmakers like the 34-year-old Masahiro Kikuno, member of the "Académie Horlogère des Créateurs Indépendants" (AHCI).



Masahiro Kikuno's Gyoushou

活動

ACTIVITY

## One century of Japanese animated movies

The Japanese National Museum of Modern Art is celebrating the centenary of anime movies this year. The Museum proposes, with free access, watching 64 Japanese animated short movies produced between 1917 and 1941. The Dull Sword, released in June 1917, is the oldest existing Japanese animated

movie. It was luckily found in an antique shop in Osaka in 2008. Subtitled in English, the movies are online until the end of the year.

History and culture lovers can watch the movies following this link:

<http://animation.filmarchives.jp/en/index.html>



The Dull Sword 1917

文化

CULTURE

**革新**  
INNOVATION

## Hitachi use AI technology to improve safety

Hitachi have developed an AI-assisted detection and tracking technology. It can distinguish an individual in real-time based on more than 100 external characteristics. Based on eye-witness description, this technology can immediately identify a lost child or a suspicious person. The current solutions are mostly based on one or two characteristic categories, like faces or clothes, and in some cases it's difficult to identify someone because a camera was unable to capture a clear facial image. The Hitachi solution is based on 22 main categories such as age, hair style, movements, carried items, etc. Because a quick reaction is important, this new technology

calculates simultaneously all those characteristics reducing the calculation time to 1/40th compared to conventional technology.

For wide public areas or large facilities, it's difficult for a security

team to screen all the images. Such technology can contribute to improving safety for crowded events like the 2020 Tokyo Olympic Games.



Wide-area people-tracking system using this technology  
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**日程**  
AGENDA

## Agenda

- ✓ 22<sup>nd</sup> May: @WHA70 Evening Seminar: “My Healthcare Revolution” produced by Japan. Kanagawa Prefecture of Japan is working with the WHO to answer the challenges of an ageing society. With the cooperation of The University of Tokyo Center of Innovation, the speakers will explain how to turn it into opportunities to increase happiness and prosperity for all.

[Free registration until May 17](#)

May 22, 18:30-20:45, Hotel Royal, Geneva.

Organized by Kanagawa Prefectural Government

JETRO is a government-related organization that works to promote mutual trade and investment between Japan and the rest of the world. Originally established in 1958 to promote Japanese exports abroad, JETRO's core focus in the 21st century has shifted toward promoting foreign direct investment into Japan and helping small to medium size Japanese firms maximize their global export potential.

The JETRO Switzerland Newsletter can also be viewed and/or downloaded online:  
<http://www.jetro.go.jp/switzerland/newsletter>



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