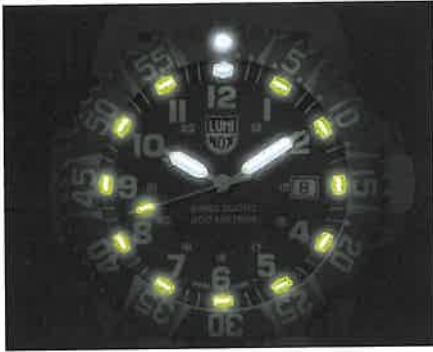


Light issues



The tension between Germany and Switzerland regarding banking secrecy laws has overshadowed another bit of unpleasantness between the two countries involving mainly two Swiss-made watch brands, Luminor and Traser. The problem is a draft amendment by Germany's Ministry of Environmental Affairs (BMU) to the country's radiation protection code, which would ban tritium in all consumer goods. The bill itself will be adopted by the Federal Cabinet in April 2009 and then sent to the Federal Council for a vote.

Tritium, a radioactive isotope of hydrogen with a half-life of 12.3 years, has been used since the 1960s to replace more dangerous products like radium to illuminate watch hands and dials. The tritium used in Luminor and Traser watches is not painted on, however, but rather enclosed in tiny glass tubes whose ends are sealed off by laser. The advantage over phosphorescing paints is a continuous, bright light that keeps shining for up to 25 years. This system, known as gaseous tritium light source (GTLS) or under the brand name trigelight, is the brainchild of the Swiss company mb-microtec, which also manufactures Traser watches.

The pending prohibition has caused some consternation among watch makers and dealers. GTLS has been recognized as harmless by no lesser an institution than Germany's own Federal Office for Radiation Protection (Bfs). The German-language FAQs point out:

"In the event the watch is destroyed (all sources of tritium break), only 0.005% of the tritium would be absorbed through the lungs."

"I simply cannot comprehend how one can prohibit a technology that has been shown in endless studies to be less harmful than Nature itself," says André Bernheim, CEO of Mondaine Ltd. His company, a family-run enterprise well-known amongst horological design fans for its Swiss Railways Watch, is also the distributor of the rugged Luminor, an American brand that is favored by the US military, notably the elite Navy SEALs (Sea, Air and Land Forces).

Banana power

Mondaine and mb-microtec have launched a campaign to inform German lawmakers of the harmlessness of GTLS. Research shows that eating a banana or riding up to the 15th floor of a high-rise will expose a person to the same dose of natural tritium as inhaling the gas from a GTLS watch. That, however, would mean the watch has been literally crushed. As Martin Grossenbacher, Luminor brand manager, points out: "If one of our watches is crushed to the point of destroying all the little tubes, the last thing the owner is going to worry about is an infinitesimal amount of tritium escaping, since his arm will probably have been destroyed as well." There are other issues as well, including the loss of jobs and the difficulty in regulating sales of the timepieces. "The reaction on the part of several members of the Bundestag has been positive," says Sandro Schneider, CEO of mb-microtec, cautiously. "We have state-of-the-art technology here, and it is crucial that we clarify the issues." Mondaine Ltd. is also elaborating contingency plans to take back watches that are no longer wanted in order to either dispose

Hard times

The Great Recession has long left the realm of the theoretical. A study by the economic information company Dun & Bradstreet revealed that Swiss firms are being hit harder than expected by the current economic slump. In the first quarter of 2009, a total of 1,192 companies went bankrupt, a 28 percent increase over the previous year's figures. In March alone, the rate hit 44 percent. Hardest hit was Ticino, where 108 businesses filed for bankruptcy in the quarter, followed by Valais, Vaud and Solothurn. Companies in high-competition industries such as automotive, catering and crafts, suffered the most. Orders are being accepted at times at prices that will not cover costs, which quickly impacts a company's core economic health. According to Dun & Bradstreet, the last time such a sharp increase in bankruptcies was registered was after the busting of the dot-com bubble. The company has projected that a total of 2,300 businesses will be going belly-up by the end of the first semester 2009. Exacerbating the crisis is the fact that owing to poor liquidity, many companies are paying their bills late. Average delay stood at 21.9 days, up from 14.8 days a year ago. This, in turn, is putting pressure on suppliers.

of them in an environmentally proper fashion, or give the lighting systems an overhaul. "This is an option we are examining closely, as this would close the circle at the end of a watch's life and would guarantee that even disposing of the watch could be carried out in an environmental friendly way, assuming someone would want to get rid of such a watch," says Martin Grossenbacher, product manager for the Luminor brand. "And it would permit us to get two birds with one stone: avoid waste and keep a good watch on the owner's wrist."