



### **The ETA Watch Movement History:**

Most people have never heard of ETA movements and even fewer have any idea of what they are. ETA SA Manufacture Horlogère Suisse is a Swiss watch manufacturer that's one of the most dominant players in the luxury watch industry. While they do produce their own quartz timepieces, what ETA is really known for is their ébauches and movements that can be found in many watches produced by numerous manufacturers around the world. It's been said that if you wear a luxury timepiece that doesn't have an in-house movement, chances are it is an ETA.

Founded back in 1856 by Eterna, the history of ETA predates that by more than half a century. In fact, experts agree that the ETA line can be traced back as far as 1792 to the creation of Fabriques d'Horlogerie de Fontainemelon (FHF) by Isaac and David Benguerel and their partners François and Julien Humbert-Droz. Arguably, its success today is derived almost entirely from the consolidation of the Swiss watch industry when former movement manufacturers such as Peseux, Lemania and Valjoux merged today. In 1856, at the manufacturers home of Grenchen, Switzerland, the soon-to-be Eterna set up a ébauche watch factory that would later be known as the birth of the ETA movement. Over the course of many years, Eterna developed a separate entity for its movements which it named ETA AS. This movement branch was a merger between Eterna's movements and FHF and was rebranded as Ebauches Ltd in 1926. By '78 AS and ETA merged, and ETA took over all of the production lines from Ebauches Ltd as well as from the remnants of FHF. It was during the 1970s that the industry began to change rapidly. The SSIH, founded back in 1930 by Omega and Tissot as well as the ASUAG which also managed many brands recognized as being at the top of their games started to see a decline in profits due to the economy. By 1983, both companies were facing bankruptcy and merged to create a low-cost 'second watch' known as the Swatch. As they restructured, the head of development, Dr. Ernst Thomke, who came from a background at ETA, became the directing force behind the Swatch brand. By 1998, the brand was renamed from Société de Microélectronique et d'Horlogerie or SMH to the Swatch Group and today, ETA is a part of that large organization, wholly owned by that parent company.



### **ETA Movements:**

ETA is primarily known for its ébauche movements; however, it also produces all the components that are needed to complete the movement and the watch which is how it is permitted to use the moniker 'watch manufacturer' or manufacture d'horlogerie as its commonly known. The movements it produces are primarily used by other brands and not in their own watches, as ETA is best known for their quartz timepieces, and not mechanical watches as their movements are primarily used in. Many of the brands owned by Swatch utilize the ETA movement as do a significant number of their competing brands from around the world. Today, ETA is by, and large the most prolific movement manufacturer in the world and they provided ébauches and components for thousands of timepieces produced each year. Over the years, ETA has grown into such a force that it has been the subject of multiple government investigations for its unusual position in the marketplace. Since it does hold a monopoly, it is governed by very strict practices as agreed to between ETA and various government organizations throughout Europe and parts of the rest of the world.

The clear majority of ETA movements are used in mechanical and automatic watches produced by luxury watchmakers. Despite multiple calibers produced by ETA, the quality is considered too exceptional for the bargain watch brands and, therefore, the cost to use their products often requires that they're only utilized in reasonably high-priced timepieces.

Unfortunately, ETA has received a bad rap from horologists who believe that the timepieces that use these mass-produced movements lack quality and creativity. Most avid watch collectors will, therefore, seek out timepieces utilize in-house movements created by their own manufacturer. It is considered a deterrent when an expensive watch uses an ETA movement rather than creating their own. However, many also believe that the ETA movements are more reliable than newer movements produced by the smaller watchmakers who may not have the quality control or investment to ensure longevity and accuracy.

For new collectors and those interested but unfamiliar with the vast number of movements available in the luxury watch market, the ETA movements prove to be a good place to start. If you're going to begin memorizing well-functioning mechanical and automatic movements, it's wise to focus on the ETA movements when you're starting a collection. One of the first movements every watch collector should be familiar with is the ETA 2824-2, which is an automatic movement used in a multitude of timepieces. It's offered in four grades that include the Standard, Elaborated, Top, and Chronometer. Each of them costing more than the last but all featuring a 25-jewel movement. The biggest differences are the quality of the barrel spring, its shock resistance capabilities, the balance wheel and hairspring as well as the regulator and pallet stones. When it comes to the movement, you get what you pay for, and it's important to recognize which movement is in the watch you plan to purchase. Standard grade movements are adjusted in two positions with a rate of +/-12 seconds per day and a maximum variation of +/-30 seconds a day. This makes this movement acceptable for daily wear, inexpensive watches or watches worn irregularly on special occasions. The elaborated grade is adjusted in three positions, top grade in five and the Chronometer meets the strict standards of the COSC which makes the ETA movement ideal for dive watches and other timepieces where the user relies heavily on its accuracy and quality in various elements.

The next movement worth knowing about is the ETA 2892 which is a more elegant version of the basic movement. This caliber dates to the 1970s and is a 21-jewel, automatic movement available in three grades which include Elaborated, Top, and Chronometer. It is widely considered a more advanced and accurate movement than the 2824 which dates to the 1950s and is far more basic in architecture.

Finally, it's worth knowing the even more advanced ETA 2892.A2 that in many watchmakers' opinions is of better quality than the base movements produced by Rolex. This movement is only found in the most expensive timepieces that utilize ETA components for their watches and often, they are used for a more complicated movement that requires a certified Chronometer such as Breiling and some IWC chronographs. The design of the 2892.A2 is exceptionally slim and offers an excellent base for any chronograph. In fact, even the Omega coaxial movement used in the Seamaster is based on this movement that was used by Omega and rebranded as the Omega 1120 for the Seamaster Professional 300. When Omega began to produce their own coaxial movement known as the Omega 2500, it was largely based on the original movement created for Omega by ETA.

Finally, one other movement worth noting is the Valjoux 7750 which is a chronograph movement based on the Valjoux 7733 which offered a quick-set day/date complication. The 7750 made its mark on the

industry by choosing to forgo the column wheel and instead use a Coulisse Levier mechanism that is a three-plane cam system that operates the stopwatch. It's a prime movement for any chronograph because it offers a variety of upgrades and can include a triple date, or other registers and counters. It is also available in three grades including Elaborated, Top, and Chronometer. Outside of these movements, ETA offers many other ébauches and components that are ever-changing in this competitive market.

### **The monopoly of ETA:**

While many of their initial competitors have gone out of business with the trend of quartz watches coming into power in the 1980s, ETA continued to remain successful and currently holds a monopoly in the industry. To maintain their market position, ETA has continued to acquire every competing ébauche manufacturer that challenges them and put the rest out of business. If your luxury watch doesn't have an in-house movement in it, chances are it's an ETA movement.

You may ask why ETA, which is owned by Swatch, offers its movements to competing watchmakers. The answer is rather simple. Back in 2003, Nicholas Hayek, who served as the Chairman of Swatch Group at the time, announced that ETA would stop providing ébauches to other watch manufacturers and only brands owned by Swatch would be able to use them. Because of this announcement, many competing companies complained that if they could no longer buy ETA ébauches, they would have to go out of business. Many believed that this was the intent of Swatch and another way to flood the market with their products and eliminate the competition. When word of this was heard by the Swiss Competition Commission, an investigation was launched, and Swatch was ordered to continue to supply its competitors with ébauches, but could gradually reduce its provisions to competition companies over the course of two years. This decision was due to the inability of watchmakers to procure ébauches at a similar price. If ETA stopped providing the movements, they would, in effect, be considered a criminal organization under Swiss law that would label them a cartel. Despite the ability to reduce its offerings to competitors that forced many watchmakers to invest in their own equipment over the years, ETA movements continue to remain the most popular ébauche movements in the world. Under their new directive from the Swiss government, ETA can reduce its supply to competitors by 30 percent in 2014-2015, 50 percent in 2016-2017 and by 70 percent by 2018-2019.

It is widely known that ETA is hopeful that by 2023, it will have the ability to choose who it offers its supply to and will be able to restrict sales to certain competitors it does not wish to support.

It's not difficult to find an ETA ébauche movement in a watch. There are but a handful of watchmakers that produce their own in-house movements and for the most part, they are rather expensive. Granted, ETA movements have proven to be highly accurate and reliable, even more so than many in-house movements, the true collector still favors a watch manufacturer that can creatively produce its own movement. What do you prefer? Do you own a watch with an ETA movement?