



CBI
Ministry of Foreign Affairs

CBI Product Factsheet:

Bridge Jewellery in Germany

Introduction

The German consumer is increasingly shifting towards more affordable jewellery as a result of the economic recession in Europe. This makes affordable silver and gold-plated jewellery an attractive market segment for jewellery exporters from developing countries (DCs). DC exporters should enter Germany with a value-added product – well-priced jewellery with a distinctive design and a sound positioning. Customisable, modern-looking, ethnic and other jewellery with joyful motives are getting particular attention in the market and are recommended designs for new market entrants. The price plays an important role in order to stay competitive, and therefore DC exporters should capitalise on their lower production costs compared to Europe, improve the efficiency of their use of resources and reduce the cost of raw materials by switching to lower-priced alloys.

Product Definition

Bridge jewellery is so called because bridges fine jewellery and costume jewellery. Most bridge jewellery is artisan-made, but it can also be mass produced.

Bridge jewellery is made of the following materials:

- gold and silver metals
- Rhodium/Gold/Rose Gold plated silver
- various alloys (such as Silvadium, Argentium Silver)

Bridge jewellery is typically made with:

- semi-precious stones such as jade, topaz, turquoise, amethyst, citrine, garnet
- other stones such as cubic zirconia, fresh water pearls and Swarovski Elements
- with the exception of ruby, emerald, diamond and sapphire

Bridge jewellery is medium-priced jewellery, ranging from € 100 to € 400 depending on the metals and stones used and on the product type (earrings, necklaces, rings, bracelets etc.). Typically jewellery made of silver, alloys and gold-plated silver materials falls into the lower end of this price range, while jewellery pieces made of gold and precious stones falls into the mid- to high-end of the price range. Often the price depends on the brand positioning and the (marketing) statement of the jewellery, as well as the design and the jeweller's craftsmanship.

Some well-known German bridge jewellery brands are [Jette](#), [Thomas Sabo](#), and [Christ](#). There are also many international brands on the market.

Bridge and fine jewellery are grouped together under [Harmonised System](#) (HS) codes 711311, 711319, 711320.

Photo examples:



Jette Silver Ring, [link](#)



Christ pendant, [link](#)

Product Specifications

Quality

Jewellery quality is determined by the materials used and the jeweller's craftsmanship. The choice of metal and gemstones is important; depending on the choice, the product can be more or less robust and resistant to scratches and other damage. Typically precious metals and stones are more robust and damage-resistant.

All manufacturers and exporters of jewellery to Europe must meet the European quality standards. The use of lead, cadmium, nickel and other hazardous metals is regulated in Europe. For more information, see the [Buyer Requirements](#) in this document.

Labelling

Products marketed in Germany must be labelled in accordance with the EU requirements. Labels must include a description of the content, including the following information:

- Type of product
- Net and gross weight (in kilograms)
- Supplier/manufacturer name and location (optional)
- Serial number
- Environmental logos if applicable

Label information must be electronically readable through the use of [barcodes](#).

Some European companies prefer to disclose only selected information about the manufacturer, for example avoiding disclosure of the manufacturer name and location. In this case the European company will be re-labelling products under its own name or specifying these requirements to the DC exporters. Consult the European buyer to find out what information needs to be displayed on the product and what the particularities are with regard to labelling in Germany.

Photo example:



Labels

Packaging:

In the wholesale, jewellery is packaged in exclusive plastic bags and cardboard boxes. Very often jewellery is shipped in bulk to Europe and is not packaged in individual bags or boxes. Once it has arrived in Europe, jewellery gets repackaged for retail.

In retail, higher priced jewellery is packaged in special cardboard jewellery boxes, textile or organza bags, for sale to the end-consumer. Gift boxes are only used in retail, not in wholesale. Gift boxes are not supplied by the manufacturer and

are typically ordered separately by the European buyers. However, if your stock also includes retail packaging, feel free to offer it to the European buyer. Be prepared to put your European customer's brand on the packaging if required.

Packaging must protect products from damage and protect the buyer from possible injury. Packaging for products marketed in Germany must meet the EU requirements. As per the [general European requirements for packaging](#), make sure that your packaging:

- has minimal weight and volume;
- has a reduced content of hazardous substances and materials in the packaging material;
- is recyclable (optional, but very much valued by the European customer) and is labelled with a recycling symbol.

Photo examples:



Retail packaging, [link](#)



Organza bag, [link](#)

Buyer Requirements

All products that are exported to and sold in Europe *must* comply with the relevant EU regulations and standards. Compliance with 1) *must* requirements, 2) *common* requirements and 3) *niche* requirements is a basic necessity for *all exporters* of jewellery. *Must* requirements are the minimum requirements the exporters must meet, and products that fail to meet these are not allowed on the EU market. *Common* and *niche* requirements are additional requirements that are typically set by the European buyer and are also of importance among consumers.

Requirements you must meet

General product safety

General product safety requirements are applicable to all consumer goods that are not explicitly described in other legislation directives. For jewellery the safety requirements mean that there should be no sharp edges, the product should not break easily and it should not cause any other danger during normal use.

Imports of skins of certain seal pups (raw furskins and furskins, tanned or dressed) are prohibited. See the [EU Export Helpdesk](#) for a more detailed overview of these requirements.

Tips:

- Familiarise yourself with the [General Product Safety Directive in the EU Export Helpdesk](#).
- Use common sense to ensure that products are safe for consumers and can be sold on the European market.
- Consider checking the [RAPEX database](#) used by EU Member States to exchange information on unsafe products, to get an idea of possible non-compliances.
- Consider consulting with your buyer to find out more about any specific requirements in terms of product safety. Some buyers (typically smaller ones) will just ask for compliance with EU legislation, not elaborating on specific requirements, while other buyers can provide you with information about specific substances that are not allowed in Germany.

Chemicals

The use of chemicals such as *lead, cadmium, nickel, AZO dyes and Chromium VI* is restricted by the EU and is regulated through several Directives and Regulations.

The use of lead and its compounds in jewellery is restricted by REACH (Registration, Evaluation and Authorisation of Chemicals) regulation. Jewellery with a concentration of lead that is equal to or greater than 0.05% by weight is not allowed on the EU market. The regulation applies to metallic and non-metallic parts of jewellery and hair accessories, including bracelets, necklaces and rings, piercing jewellery and earrings, wrist-watches and wrist-wear, brooches and cufflinks.

The use of cadmium and its compounds is restricted by REACH regulation. Jewellery with a concentration of cadmium that is equal to or greater than 0.01% by weight is not allowed on the EU market. The regulation applies to metal beads and other metal components for jewellery making and to metal parts of jewellery and imitation jewellery and hair accessories, including bracelets, necklaces, rings, piercing jewellery and earrings, wrist-watches and wrist-wear, brooches and cufflinks.

The use of nickel and its compounds may cause allergic contact dermatitis and is therefore restricted by REACH regulation. Nickel and its compounds shall not be used in any post assemblies that are inserted into pierced ears and other pierced parts of the human body unless the rate of nickel release from such post assemblies is less than 0.2 µg/cm²/week (migration limit), and in items intended to come into direct and prolonged contact with the skin such as: earrings, necklaces, bracelets and chains, anklets, finger rings, wrist-watch cases, watch straps and tighteners, rivet buttons, tighteners, rivets, zippers and metal marks, when these are used in garments, if the rate of nickel release from the parts of these items coming into direct and prolonged contact with the skin is greater than 0.5 µg/cm²/week. The European consumer is particularly concerned about the nickel content in jewellery. Many European buyers require nickel-free jewellery.

AZO dyes is a group of synthetic dyestuffs based on nitrogen often used in the textile industry. Leather and textile components used in jewellery made of coloured leather or other synthetic materials should contain less than 30 mg/kg (0.003% by weight) of the AZO dyes listed in [Appendix 8](#) and [Appendix 10](#) of REACH. The use of AZO dyes/Azocolourants is regulated by REACH regulation. Azo dyes/Azocolourants that are listed in [Appendix 9](#) of REACH shall not be used for colouring textile and leather articles in concentrations higher than 0.1% by mass. No other toxic substances than Azo dyes should be used when colouring jewellery.

Chromium VI in Leather

if your jewellery has leather elements, make sure that the chromium VI content does not exceed 3.0mg/kg. This a new legislation adopted in March 2014 and although it is officially valid as of May 1, 2015, buyers already require compliance with the legislation.

Tips:

- Before approaching a European buyer, gather more information on relevant REACH requirements. Be aware that REACH applies to several sectors; for jewellery exporters to Europe, the following regulations are of significant importance:
 - Consult [Regulation EU No. 836/2012](#) for lead content restrictions in jewellery;
 - Consult [Regulation EU No 494/2011](#) for cadmium content restrictions in jewellery;
 - Consult [Regulation EC No 552/2009](#) for nickel content restrictions in jewellery;
 - Consult [Annex XVII of REACH](#) for Azo dye restrictions in jewellery.
- Make sure that the lead, cadmium, nickel or Azo dye content does not exceed the permitted level in all your jewellery products, metal parts and beads used in the final product.
- To verify compliance with the restriction of Chromium VI in Leather, consider using the test method described in [EN ISO 17075](#).
- Make sure that the chemicals content does not exceed the set limits, since European manufacturers and importers are obliged to meet the above-mentioned requirements. Consult your potential buyers to find out if test reports are required. Larger retailers either require test reports from importers/manufacturers or they test products themselves. Smaller buyers typically expect DC exporters' products to comply with the chemicals requirements.

CITES

If used in bridge jewellery, parts of wild plants and animals (e.g. shells, coral, leather and wood) should not be from endangered species and not fall under the restrictions of the Convention on International Trade in Endangered Species (CITES).

Tip:

- Make sure that your products or product elements do not fall under CITES. Check the [EU Export Helpdesk](#) for more information on the regulation, and consult the list of restricted species in [Annexes A, B, C](#) and [Annex D](#). The EU Export Helpdesk also provides information on the different procedures applicable to such products.

Common Buyer Requirements

Hallmarking

There is no compulsory jewellery hallmarking system in Germany, but there is a voluntary hallmarking system in place on the market. The end consumer typically requires jewellery hallmarking so he can assess the real value. In practice, hallmarking is used for gold jewellery with 333, 585, 750 and 916 parts per thousand, and also for silver and other precious metal jewellery.

Tip:

- For more details, see the summary of compulsory and voluntary hallmarking systems for precious metal jewellery in Europe [here](#).

Sustainability

Sustainable products offer things such as recycling and a choice of sustainable materials (see Niche requirements), as well as improved social conditions. EU buyers increasingly look for products that have been manufactured with due respect for human rights, labour conditions and the environment. This is particularly important for the textile and apparel industry, in mining and jewellery, but also in many other industries. There are two retail initiatives that have gained ground in Western European countries: the [Business Social Compliance Initiative \(BSCI\)](#) and the [Ethical Trading Initiative \(ETI\)](#). Bigger EU companies have even developed their own Corporate Social Responsibility (CSR) policies and require suppliers to conform to these requirements. Workers' health and safety in particular are sensitive topics in Europe, and buyers want to prevent damage to their reputation.

Tip:

- Understand how you can improve your sustainability performance. This will not necessarily mean immediate certification. Nevertheless, it is important to familiarise yourself with the issues included in the initiatives. Consult the [Standards Map database](#) for the different labels and standards relevant for jewellery. Consider doing a company self-assessment, available on the [BSCI website](#).

Niche Buyer Requirements

Fairtrade labelling

Fairtrade-labelled products are an initiative that supports fair pricing, improved social conditions for producers, and guaranteed fair and responsible practices in the entire jewellery supply chain. Sustainability initiatives are important for manufacturers of jewellery that contains precious metals and precious stones, which are associated with the welfare of miners and the effect of mining activities on the environment. They force the jewellery sector to provide more transparency and accountability in terms of the materials used. Many jewellery manufacturers apply for transparency and accountability certificates at Fairtrade, the Responsible Jewellery Council and other international organisations to demonstrate their ethical practices. For more information, refer to the [EU Buyer Requirements for Jewellery](#).

Tips:

- The actual use of Fairtrade labels is still a niche in this sector, but familiarising yourself with the initiatives and how they work is an initial step.
- Familiarise yourself with the programmes offered by the [Responsible Jewellery Council](#), [Fairgold](#), [Fairminded](#), and other initiatives.
- It is clearly an advantage to demonstrate your engagement and to state your ethical principles in all your marketing materials and your website.

For more details consult the [EU Buyer Requirements for Jewellery](#) on the CBI Market Intelligence Platform.

Macro-Economic Statistics

Germany is the biggest economy in Europe and it has the highest population; all potential jewellery customers. Due to the economic instability over 2010-2013, consumers tended to prioritise their spending and buy more essential goods or shift to more affordable products, for example silver jewellery and more affordable gold-plated jewellery. The outlook for 2014 is positive on the whole – consumers have regained financial stability, interest rates went down and purchasing power has improved. The recovering economy and the shift to more affordable jewellery is favourable for DC exporters, whose competitiveness is driven mainly by (but not limited to) low production costs.

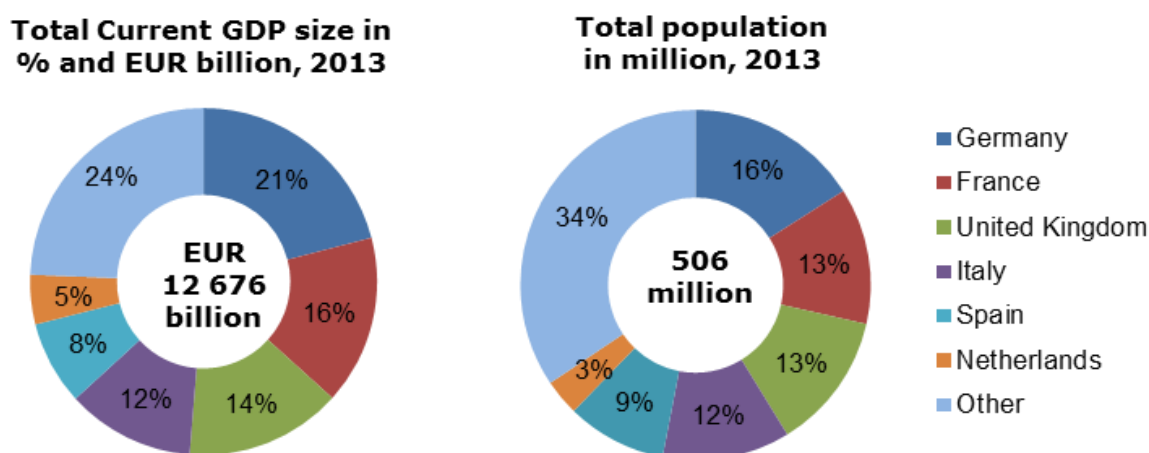
Population

The population of the EU was estimated at 506 million in 2013, and Germany constitutes 16% of the total EU population (approximately 80.8 million people).

Economy size

Germany is the largest country in Europe based on GDP size, with a 21% share of the total GDP in Europe.

Figure 1: Key 2013 macroeconomic indicators for the leading European countries including Germany

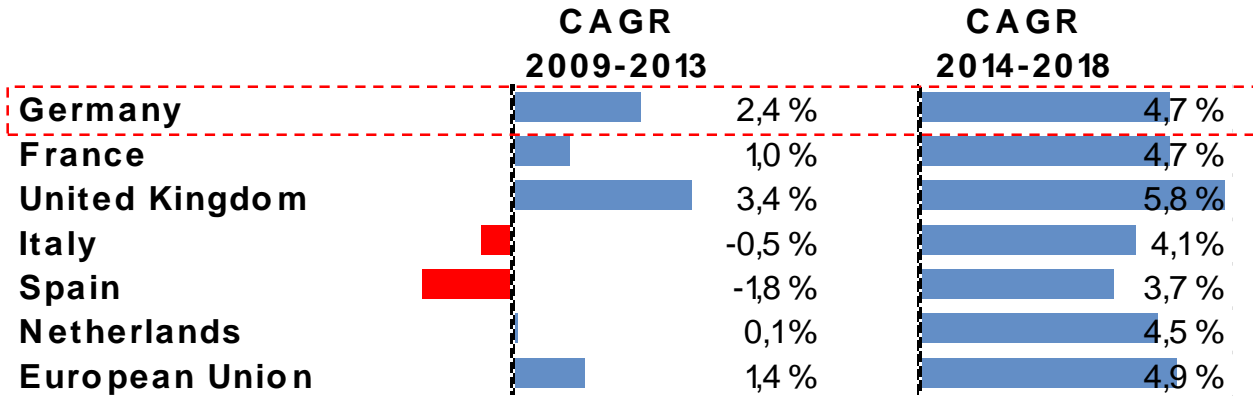


Source: IMF 2014

Economic growth

Germany's GDP is expected to grow annually by 4.7% in 2014 - 2018 and the year-over-year growth is expected to be 6.6% in 2014, above Europe's GDP growth (6.2%).

Figure 2: GDP (current prices) Compound Annual Growth Rate (CAGR) for 2009-2013 and estimate for 2014-2018 for the leading European countries including Germany

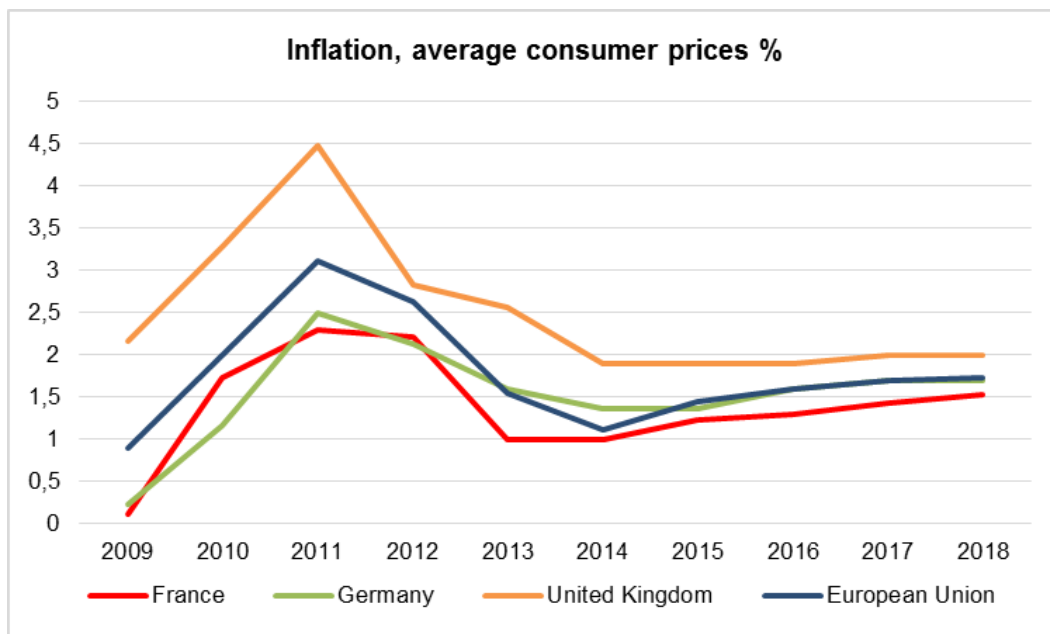


Source: IMF 2014, World Economic Outlook Database

Consumer prices and inflation

The economic instability in the country and in Europe, as well as price increases, led to low consumer confidence and purchasing power. Consumers tended to save more and spend money on more essential goods. In 2013, the average consumer price change was 1.6%, but it is expected to fall to 1.4% in 2014. Over 2014-2018, Germany's consumer prices will grow annually by 1.5% on average, remaining at the EU level.

Figure 3: Consumer price changes in 2009-2013 and expected inflation rate for 2014-2018 in the leading European countries including Germany and the EU, in %



Source: IMF 2014

Trade Statistics

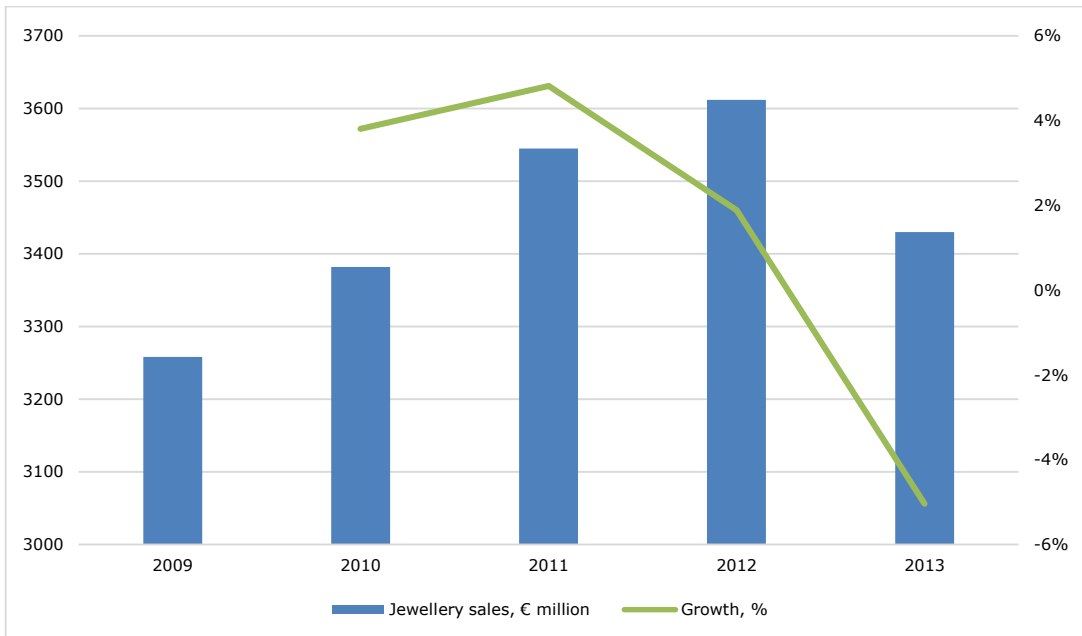
Production and consumption

Figure 4: Production of jewellery* in Germany in 2009-2013, value in millions of € and growth in %



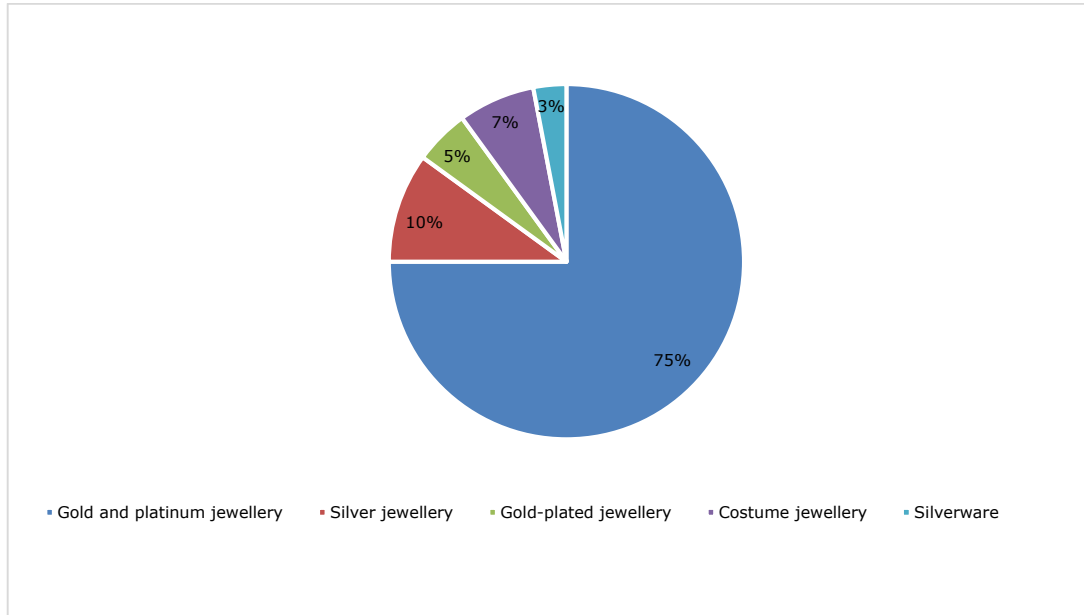
Source: BV Schmuck+Uhren – German association of jewellery and watch manufacturers and suppliers
 *Total jewellery market (incl. fine, bridge and costume jewellery)

Figure 5: Consumption of jewellery* in Germany in 2009-2013, value in millions of € and growth in %



Source: BVJ – German association of jewellers, jewellery products and watches
 *Total jewellery market (incl. fine, bridge and costume jewellery)

Figure 6: Turnover structure of jewellery* in terms of value in Germany in 2012, in %



Source: BV Schmuck+Uhren – German association of jewellery and watch manufacturers and suppliers

According to the German BV Schmuck+Uhren association, the total market turnover of manufactured jewellery in Germany amounted to €711 million in 2013, down by 11% year-over-year. The production of gold jewellery was significantly impacted by the gold price slump in 2013 and demand remained stagnant due to the fact that the consumer's purchasing power recovered slowly. Gold and platinum jewellery remains the largest category and accounts for three quarters of the total jewellery market's production value, followed by silver jewellery (10%) and costume jewellery (7%).

Jewellery sales amounted to €3.4 billion in 2013, down by 5% (according to the German BVJ association), due to a declining demand for higher-priced jewellery made from gold and platinum and gold metal price fluctuations. The market was highly competitive in 2013, and 4% more companies operating in the jewellery and watch segment registered insolvency in 2013 compared to 2012.

Market experts have observed a shift to more affordable jewellery in Germany. The demand for affordable jewellery has increased, with silver and gold-plated silver becoming the most popular metals in terms of the growth in demand. Costume jewellery also saw an increase in demand in 2013.

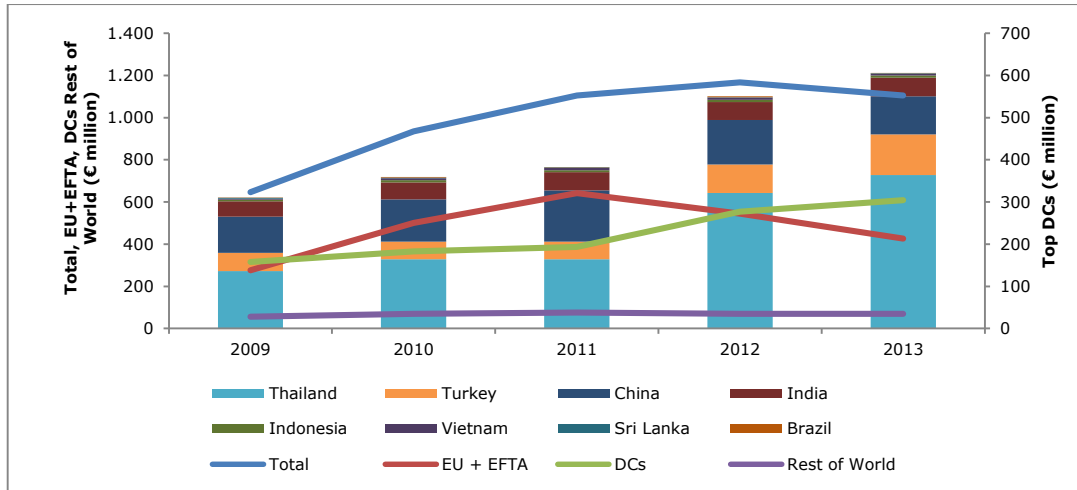
The outlook for jewellery and for bridge and costume jewellery in particular in Germany is positive. According to the GfK research panel, consumer purchasing power saw a healthy improvement in 2014 and consumer confidence is the highest it has been in 6 years. In 2014, many German consumers evaluated their financial situation as positive and tended to buy more jewellery. The bridge jewellery segment will be in an advantageous position, as consumers will likely continue to shift to the medium and lower price segments.

Tip:

- Enter the German market with a value-for-money proposition - focus on high product quality and skilful design, but keep the total production cost low. Carefully consider which metals and stones to use, and try to keep the total production cost low. Consider shifting from higher-priced gold to gold-plated metals in your manufacture. Silver and new metal alloys can be another focus, as the demand for these is growing in Germany.

Import and export

Figure 7: Import of silver and gold jewellery* to Germany, value in millions of €



Source: Eurostat (October 2014)

*All silver and gold jewellery (fine + bridge jewellery)

In terms of value, total imports of gold and silver jewellery have grown significantly, with an increase of 14.3% CAGR over 2009-2013. Over half of all gold and silver jewellery was imported from DCs to Germany. DC import of gold and silver jewellery grew by nearly 18% CAGR in 2009-2013 and it was up by 10% year-over-year in 2013.

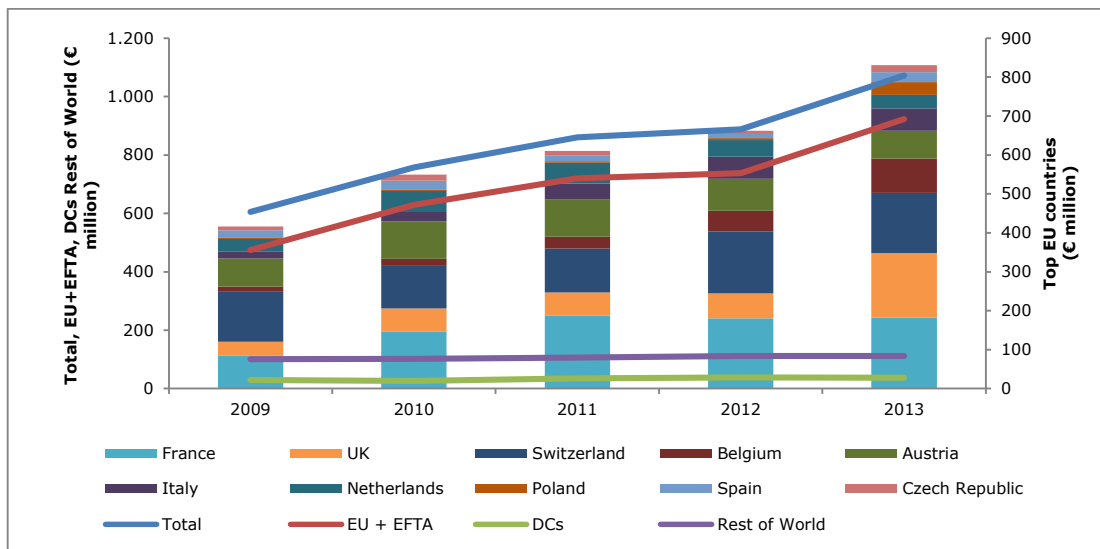
The outlook for gold and silver jewellery imports in Germany remains positive. The growing demand for more affordable jewellery will drive imports from DCs and other countries.

Thailand, Turkey, China and India are the leading exporters of jewellery to Germany, holding a cumulative share of 53% of total imports. Imports from these top 4 countries grew continuously over the past 5 years, and only China's imports decreased in 2013. Thailand is the leading supplier of jewellery to many European countries, as it is known for its availability of raw materials and jewellery craftsmanship. In 2012, China was still the number two exporter of jewellery to Germany, but due to a 14% drop in imports, Turkey overtook China in 2013. Turkey could improve its competitiveness on the market by offering better-priced gold jewellery. The fall in the gold price has also driven the demand for gold jewellery from Turkey.

Tips:

- Target the German market with well-priced silver and gold jewellery to meet the growing consumer demand for affordable jewellery.
- To stand out among numerous suppliers of low-cost jewellery, consider adding value to your product:
 - Improve the positioning of your jewellery by adding a clear statement and a background story to your collection, and use this in all your marketing materials.
 - Offer ethnic jewellery to meet the increasing interest of German consumers in cultural jewellery.
 - Focus on niche segments such as ethical and/or recyclable jewellery.

Figure 8: Export of silver and gold jewellery* from Germany, value in millions of €



Source: Eurostat (October 2014)

*All silver and gold jewellery (fine + bridge jewellery)

Exports of gold and silver jewellery from Germany grew significantly over the past five years, exceeding the 15% CAGR over 2009-2013, and German exports grew by 21% in 2013.

Over 85% of German exports of gold and silver jewellery go to other European countries, signalling the importance of Germany as a trade hub. In 2013, the German export of gold and silver jewellery to Europe was up by 25% year-over-year, while the CAGR was 18% in 2009-2013. France, the UK and Switzerland are the top 3 destinations of German exporters, accounting for almost half of the total German export of gold and silver jewellery.

Tip:

- DC exporters have opportunities in indirect exports when cooperating with German retailers of bridge jewellery, since Germany is an important trade hub in Europe.

Market Trends

The German consumer is increasingly interested in sustainable products and putting pressure on unethically operating companies. The awareness of social imbalance and environmental issues make consumers think 'ethically' and go for Fairtrade and recycled products. Globally the combined sales of diamonds, gold and platinum group metals in the jewellery supply chain by RJC Members grew by 8.5% in 2013, and RJC members' combined sales accounted for about 26% of global jewellery sales. There are a few organisations in Germany, such as [EZA Fairer Handel](#), [GEPA](#), [Öko Fair](#) and [Faire Edelsteine](#) that actively promote sustainable jewellery amongst other fashion and designer items. Some jewellers, such as [Thomas Becker Schmuck](#) in Germany, have already entered this niche market and focus solely on fair gold and silver jewellery. Recycled jewellery is another important trend in the market, with some companies specialising in offering recycled jewellery, for example the [TrashDesignManufaktur](#). Sales of sustainable and recycled products are still negligible in Germany, but it is a powerful marketing tool for new market entrants such as DC exporters.



Earrings, [Thomas Becker](#)

Tip:

- Consider operating on the niche market for sustainable or recyclable jewellery. To offer such jewellery, carefully source your materials and pay attention to the certification and ethical principles of your suppliers and partners.

The ongoing global personalisation trend has raised consumer interest in charms and other customisable jewellery. Customisable jewellery gives customers the opportunity to create individual designs. Charms and beads by international and local brands such as [Thomas Sabo](#), [Pandora](#), [Jette](#), and [Fossil](#) are some of the best-selling products in Germany.



Thomas Sabo

Beads, [Thomas Sabo](#)

Tip:

- Depending on your specialisation and your jewellery statement, consider offering customisable jewellery collections along with your key jewellery lines.

The German consumer is typically a classic jewellery wearer. Classic designs have always proved to be successful in Germany. But the demand for modern and more joyful jewellery has also grown, especially amongst the younger generation. Jewellery in Germany is also perceived as a symbol of culture and as a means of self-expression, which is why ethnic jewellery has gained a market share.

Tip:

- Depending on your craftsmanship and material availability, choose only one or a select few jewellery design styles to convince the German consumer of your expertise. Position your jewellery with a clear statement that can be traced throughout all your collections. Avoid rushing into too many jewellery styles and selling both classic and ethnic jewellery, for example. However, a style fusion in one design can be an eye-catcher on the market, for example by using ethnic motives in jewellery made of modern metals and alloys.

German jewellers are increasingly using alloys in jewellery to keep the production costs low and to meet consumer requirements for more affordable jewellery. Besides cost efficiency, new alloys such as Silvadium and Argentium Silver make jewellery designs look more innovative, creative and high-value.

Tip:

- Consider using lower-priced alloys for your jewellery collection to keep the production cost low. Using some of the modern alloys, you'll be able to keep up with competitors by adding a modern touch to your collections. Continue working on the creativity of your designs.

For more information on market trends, please refer to CBI Trends for Jewellery.

Market Channels and Segments

For more information, please refer to CBI Market Channels and Segments for Jewellery.

Price

Figure 9: Price structure



Your Free On Board (FOB) Price must be calculated in such a way that all costs are covered: production costs (raw materials, labour costs), administration costs (rents, electricity and other fixed costs) and marketing costs (expenses for marketing materials, catalogues, website, travel costs to European trade shows and other related costs). If you're using Alibaba, Google, Amazon or other online marketing tools, be prepared to also pay a fee for these tools and add it to your calculation.

Be aware of the different costs and value chain margins that add to the product price. Logistics costs for bridge jewellery are higher than for fine jewellery, as the total order value is typically smaller (compared to fine jewellery).

Tip:

Carefully estimate all your costs and select the preferred European buyer. Working directly with a retailer, you can have higher profit margins, but be aware that your costs will increase as well. Logistics costs will be higher, as the order volume will tend to be smaller when compared to collaboration with a wholesaler. Besides, travel costs (part of marketing costs) may be higher when working with independent retailers.

Field of Competition

For more information, please refer to CBI Field of Competition for Jewellery, as the market competitiveness of Bridge jewellery in Germany does not differ significantly from this general overview.

Main Sources

- Eurostat, URL: <http://epp.eurostat.ec.europa.eu/portal/page/portal/eurostat/home/>
- International Monetary Fund (IMF), URL: <http://www.imf.org/external/index.htm>
- German association of jewellery and watch wholesale, URL: <http://www.schmuck-uhren-grosshandel.de>
- BVJ – German association of jewellers, jewellery products and watches, URL: <http://www.bvt-ev.de/juweliere/news.php>
- BV Schmuck+Uhren – German association of jewellery and watch manufacturers and suppliers, URL: www.bv-schmuck-uhren.de

Trade Shows

- International Jewellery, Timepiece and Lifestyle Trade Show Inhorgenta Munich, URL: <http://www.inhorgenta.com>



CBI Market Intelligence

P.O. Box 93144
2509 AC The Hague
The Netherlands

www.cbi.eu/market-information

marketintel@cbi.eu

This survey was compiled for CBI by Global Intelligence Alliance market research in collaboration with CBI sector expert Mart Krijger

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