



CBI
Ministry of Foreign Affairs

CBI Product Factsheet:

Costume Jewellery in the UK

Introduction

UK consumers are increasingly buying lower-priced costume jewellery after the recent economic instability in Europe, which affected consumer confidence and lowered purchasing power. Costume jewellery is expected to remain a fast-growing and trend-setting jewellery segment and is therefore an attractive market for jewellery exporters from developing countries (DCs). The rapidly developing online retail channel in the UK offers better accessibility and an easier market entry for DC exporters than traditional channels. To compete with local costume jewellery producers, DC exporters should enter the country with a trendy and inspiring jewellery design and capitalise on lower production costs compared to Europe.

Product Definition

Costume jewellery (also called fashion jewellery) comprises accessories that complement the fashion styles of women, men and children. Costume jewellery can be artisan-made or mass produced. Modern costume jewellery incorporates the following metals and materials:

- non-precious metals: brass, steel, cast zinc, cast tin, vermeil,
- semi-precious metals: sterling silver, gold- or silver-plated brass and other alloys
- non-metal materials: leather, textile, resins, cords, natural wood, coconut chips, dyed or engraved or cracked shells, etc.
- non- or semi-precious stones, including crystal and cubic zirconia.

Costume jewellery is lower-priced jewellery with prices ranging from € 1 to € 100 (£ 1-80) depending on the metals and stones used and the product type (earrings, necklaces, rings, bracelets etc.). Typically pieces made of non-precious materials fall into the lower end of this price range, while jewellery made of semi-precious metals and 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.

The majority of costume jewellery is unbranded jewellery. Many fast-fashion chains offer costume jewellery in the UK, for example [Topshop](#), [Primark](#), [H&M](#), and [Zara](#), but also other apparel chains such as [Ted Baker](#) and [River Island](#) among others.

Costume jewellery is grouped under [Harmonised System](#) (HS) codes 711711, 71171910, 71171991, 71171999, 711790.

Photo examples:



Unbranded jewellery



Unbranded jewellery

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 the UK must be labelled in accordance with the EU requirements. Labels must include a description of 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 the UK.

Photo example:



Labels

Packaging

In wholesale, jewellery pieces are packaged in exclusive plastic bags or in bulk 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, the jewellery pieces get 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, and 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.

Photo examples:



Recycled paper packaging, [La Jewellery](#)



Organza bag, [link](#)

Packaging must protect products from damage and protect the buyer from possible injury. Packaging for products marketed in the UK 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.

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 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 the UK.

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 compound 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 is 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 there 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 dyes use 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. Typically larger retailers either require test reports from importers/manufacturers or they test products themselves. Smaller buyers typically expect the DC exporters' products to comply with the chemicals requirements.

CITES

If used in costume 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.

Hallmarking

Jewellery hallmarking is compulsory in the UK and there is a hallmarking and monitoring system in place to verify the precious metal content in gold and silver jewellery. Please note that the rules on precious metals control are not harmonised in the EU.

Tip:

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

Common Buyer Requirements

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 [ETI base code](#) and to check what [ETI members](#) require from their suppliers. Consult the [Standards Map database](#) for the different labels and standards regarding jewellery. Also consider visiting the websites of British companies to find out which CSR policies they require.

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 contain 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 are 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

The UK is the third biggest economy in Europe and has a large population. Due to the economic instability over 2010-2013, consumer confidence and spending fell, which impacted the retail sectors in many industries. The general outlook is positive – the economy has returned to a positive growth, unemployment rates have fallen and consumers have regained their purchasing power. A healthy economic environment offers better market entry opportunities for DC exporters.

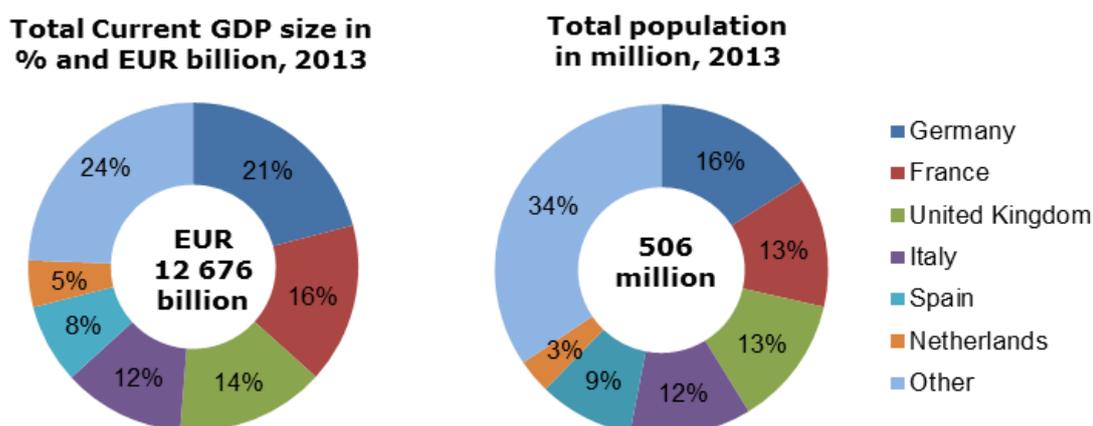
Population

The population of the EU was estimated at 506 million in 2013, and the UK constitutes 13% of the total EU population (approximately 64.1 million people).

Economy size

The UK is the third-largest country in Europe (after Germany and France) in terms of the current GDP size, holding a share of 14%.

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

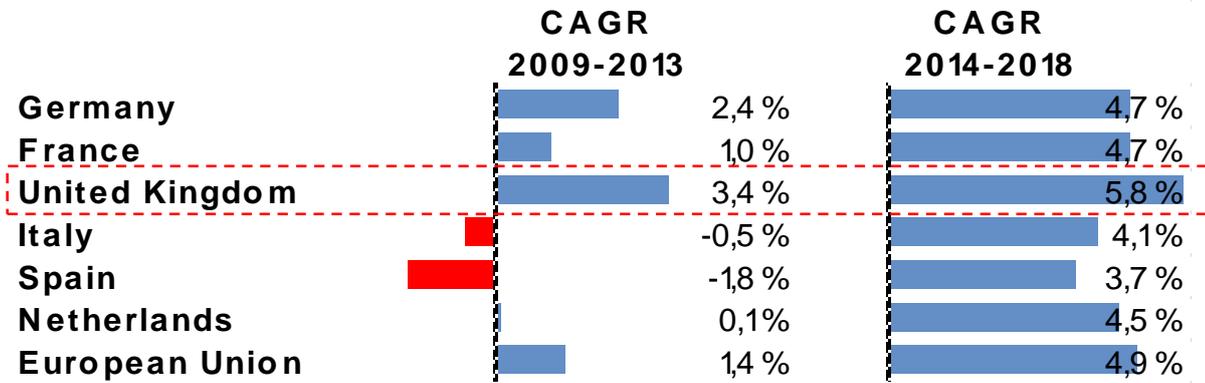


Source: IMF 2014

Economic growth

The UK's GDP is expected to grow annually by 5.8% over 2014 - 2018 and it is forecasted to exceed the GDP growth for Europe (6.2%) with a year-over-year growth of 11.5% in 2014.

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

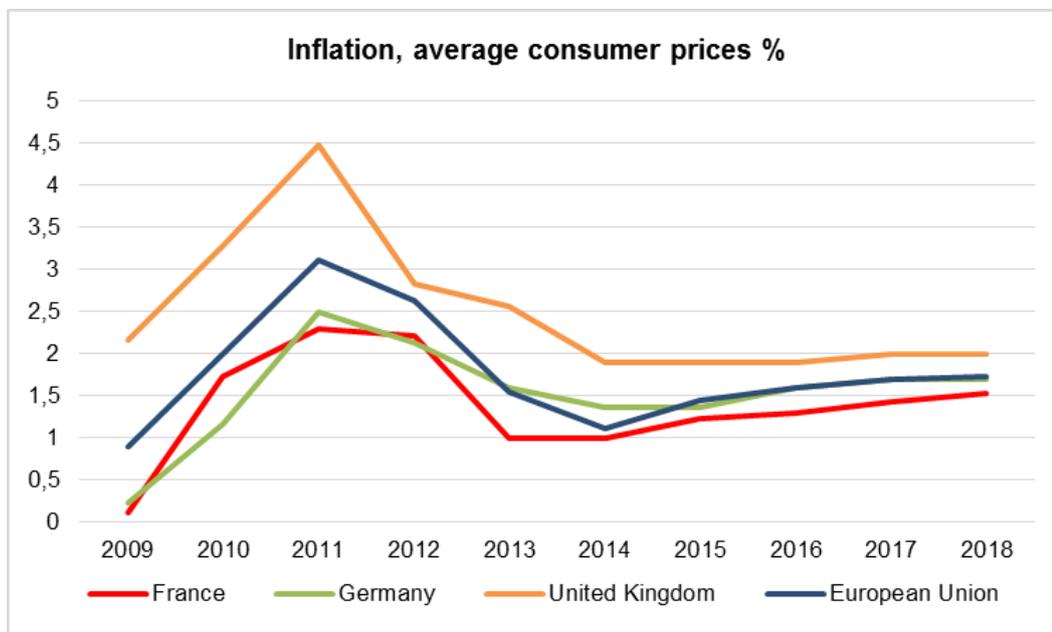


Source: IMF 2014, World Economic Outlook Database

Consumer prices and inflation

The economic instability in the UK and in Europe, as well as price increases, led to low consumer confidence and purchasing power between 2010 and 2013. In 2013, the average consumer price change was as high as 2.6%. In 2014, inflation is expected to fall to 1.9% and it will maintain this rate through to 2018, above the average European level. Consumer confidence and thus purchasing power will recover in 2014, driving retail performance.

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

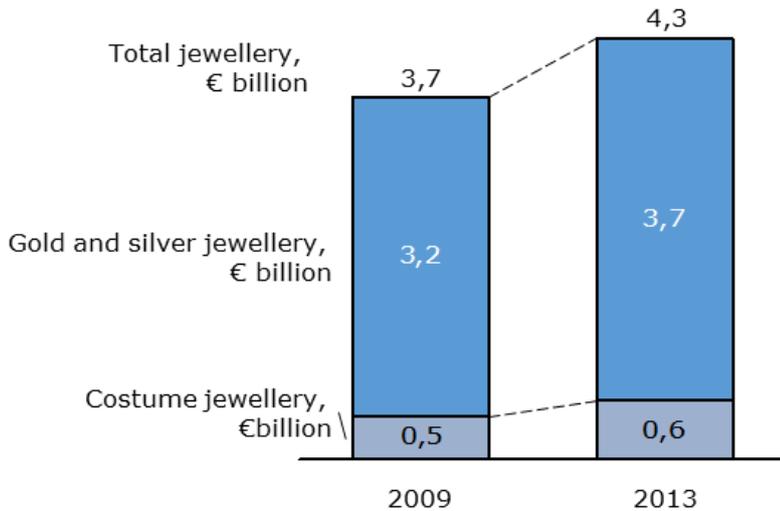


Source: IMF 2014

Trade Statistics

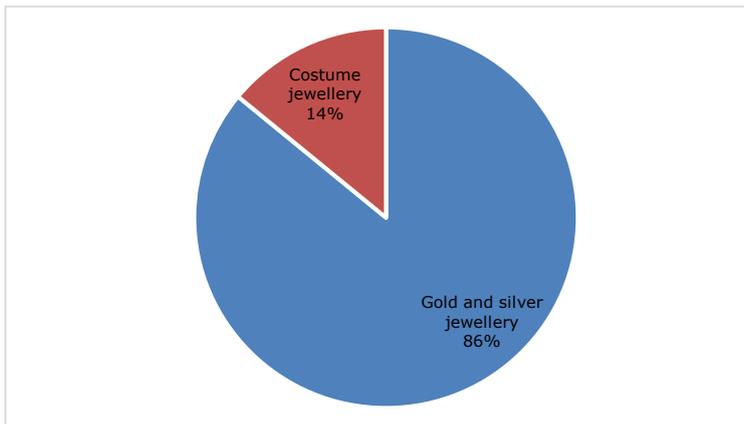
Production and consumption

Figure 4: Sales of jewellery in the UK in 2009 and 2013, value in billions of €



Source: Key Note market research company

Figure 5: Structure of jewellery in the UK in 2013 in terms of value, %



Source: Key Note market research company

The production of costume jewellery is negligible in the UK. A while ago, the UK saw a strong trend of outsourcing production to low-cost markets. Many branded jewellery companies relocated their facilities to countries such as China, Thailand and India for their mass production benefits. Now, UK production has started benefiting from the trend of encouraging more designers to keep their small-scale manufacturing in the UK. However, in most cases this relates to bridge and fine jewellery, while the production of costume jewellery remains overseas.

The UK is one of the leading markets in terms of the demand for jewellery, thus offering excellent opportunities for DC exporters. According to the Key Note market research company, jewellery sales increased by nearly 9% between 2009 and 2013. Gold and silver jewellery has seen a total increase of almost 7%, but costume jewellery was up by 24% in 2009-2013. In terms of value, costume jewellery accounts for 14%.

The costume jewellery industry is expected to continue growing at a faster rate than the gold and silver jewellery industry. According to experts, costume jewellery has become an important trend-setting jewellery category with its own styles and trends. Consumers are more likely to switch to costume jewellery for the cost aspect and the ability to update an outfit with a new fashion style for little money.

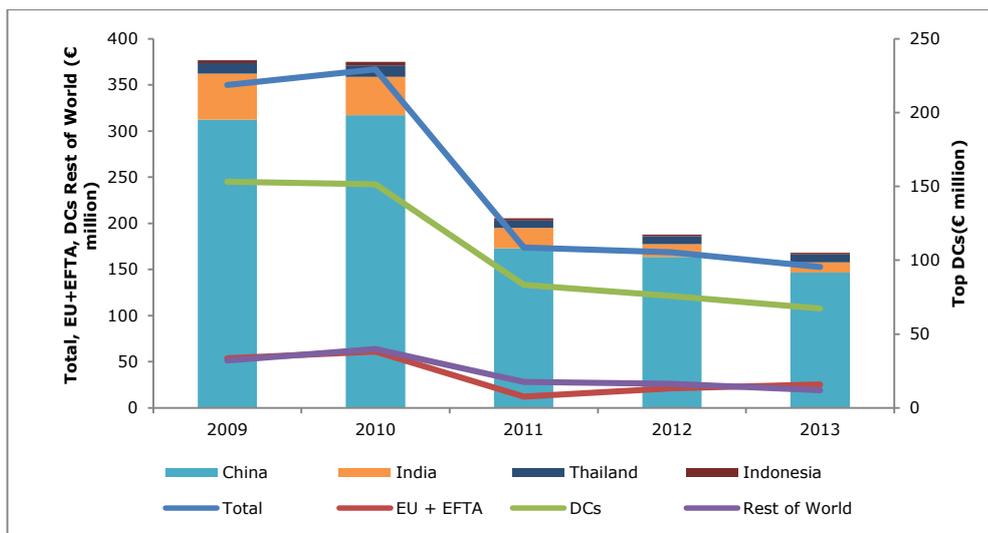
The outlook for jewellery demand in the UK is positive, as consumer purchasing power is rising and the UK economy returns to a positive growth rate. Costume jewellery is expected to be the best-performing category.

Tips:

- Enter the UK market with a value-for-money proposition – low cost pieces in combination with a distinct design. Put the focus on the jewellery design – make it appealing, intriguing and eye-catching. Follow the latest costume jewellery trends to integrate these in your production process.
- Carefully consider which metal and stones to use, trying to keep the total production cost low. Consider applying non-precious materials such as leather, textile, cords, and shells, among others. Be creative and experiment with different materials to fit your jewellery style.

Import and export

Figure 6: Import of costume jewellery to the UK, value in millions of €



Source: Eurostat (October 2014)

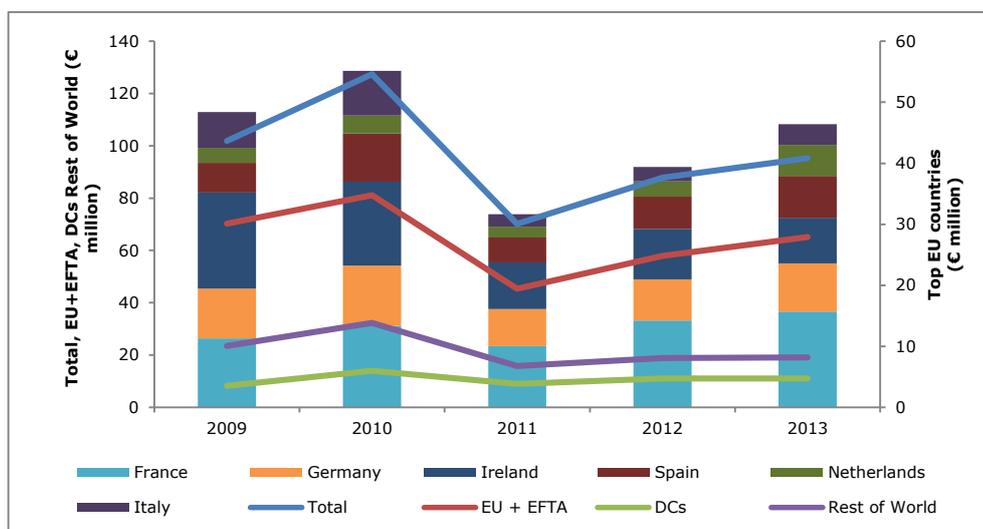
In terms of value, total imports of costume jewellery were down by 18.7% CAGR in 2009-2013. Over 70% of imported costume jewellery arrived in the UK from developing countries. DC imports of costume jewellery declined by nearly 18.5% CAGR in 2009-2013 and were down by 11% year-over-year in 2013. The economic downturn and price fluctuations were the major inhibitors of import development.

The outlook for costume jewellery imports to the UK is positive. The growing demand for more low-cost jewellery will drive imports from DCs and other countries.

China, India and Thailand are the leading exporters of costume jewellery to the UK, holding a cumulative share of 68% of the total import. Vietnam and Turkey saw the strongest growth in import value between 2009 and 2013, benefiting from low labour costs.

Tip:

- Add value to your product offering to stand out in this saturated market:
 - DC exporters that offer ethnic jewellery will benefit from the increasing interest of British consumers in cultural jewellery.
 - Consider focusing on niche segments such as ethical and/or recyclable jewellery.

Figure 7: Export of costume jewellery from the UK, value in millions of €

Source: Eurostat (October 2014)

The export of costume jewellery from the UK saw a 2% CAGR decline between 2009 and 2013, but it was up by 8% year-over-year in 2013. In 2013, UK exports of costume jewellery recorded a 12% year-over-year growth, driven by an increase in demand in two of its leading export destinations – France and Germany.

Almost 70% of British exports of costume jewellery go to other European countries, signalling the importance of the country as a trade hub. France, Germany, Ireland, Spain and the Netherlands are the top 5 destinations for British exports, accounting for 45% of the total exports for costume jewellery.

Tip:

- DC exporters have opportunities in indirect exports when cooperating with British retailers, since the UK is an important trade hub in Europe.

Market Trends

The British 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 the UK, such as [The Responsible Jewellery Council](#), [The Jewellery Ethics Committee](#), [PositiveLuxury](#) and [RecycledJewellery](#) that actively promote sustainable jewellery amongst other fashion items. Some jewellers, such as [Cred Jewellery](#), [La Jewellery](#) by Lisa Anne, [Oria Jewellery](#) and [Elle Georgia](#), have specialised in this niche market and focus solely on fair jewellery. Recycled jewellery is another important trend on the market, with some companies specialising in offering recycled jewellery, for example [Hairy Growler](#) and [CasSam](#). Sales of sustainable and recycled products are still not as high as those of conventional jewellery, but the UK is one of the leading markets in terms of sustainable product sales.

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.



Ring, [Elle Georgia](#)

<http://www.agatha.fr/typologie/bracelet.html>

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 [Links of London](#), [Pandora](#), and [TrollBeads](#) are some of the most popular customisable jewellery in the UK. There are also a number of online retailers that specialise in unbranded beads and charms sales in the UK, for example [Dizzy Beads](#), [Creative BeadCraft](#), and [JillyBeads](#) and many others.

Tip:

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

Fast-fashion is well established in the UK, where it counts for about 25% of apparel retail. The share of fast-fashion continues to grow, picking up on consumer demand. Fast-fashion brands such as [H&M](#), [Topshop](#), [Primark](#) and [Zara](#) have benefited from the consumer's desire to be able to change their fashion style, including clothing and accessories, more often and at a low price. The demand for fast-fashion is expected to grow in the UK and other developed countries in Europe.

Tip:

- Enter the market with a value-for-money proposition. Besides asking a good price for your jewellery pieces, consider adding value by using new trendy materials such as leather, textile and natural components, for example shells, coconut chips and wood. These materials can make your jewellery design look intriguing and they are cost efficient to use.

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

Market Channels and Segments

Online retailing is an important and dynamically developing market channel in the UK. According to IORMA (The global Consumer Commerce Knowledge Centre), online retailing is expected to more than double by 2020 (from the current €58.5 billion to €133 billion in 2020). Mobile commerce is driving online shopping in the UK, as 62% of UK consumers use their smartphones for e-shopping. In 2012, total online sales accounted for 9.6% of total retail (source: [i2i events group](#)) and the share is expected to increase to 12.3% by 2017.

In costume jewellery, UK online retail has grown by 800% since 2007. In 2011/2012 alone, online sales went up by 35%, overtaking online clothing sales in the UK.

Tip:

- Consider approaching online retailers and wholesalers in the UK who specialise in finished jewellery and elements (such as beads and charms) sales. Do additional research to find out who the leading online retailers of jewellery in the UK are or visit local trade shows to establish face-to-face contact and create possible partnerships.

Price

Figure 8: 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 different costs and value chain margins that add to the product price. Logistics costs for costume 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 the cooperation 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 costume jewellery in the UK 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>
- Market research company Euromonitor, URL: <http://blog.euromonitor.com>
- The British Jewellers' Association, URL: <http://www.bja.org.uk>
- The Global Consumer Commerce Knowledge Centre IORMA, URL: www.iorma.com
- Jewellery news portal Professional Jeweller, URL: <http://www.professionaljeweller.com>

Trade Shows

- International Jewellery Trade Show in London - IJL, URL: <http://www.jewellerylondon.com>
- Fashion Trade Show Pure London also exhibits ethical fashion and accessories (including jewellery), URL: <http://purelondon.com>
- Home and Gift trade show also showcases jewellery and other fashion products, URL: <http://www.homeandgift.co.uk>
- Jewellery and Watch London, URL: <http://www.jewelleryandwatchlondon.com>
- Goldsmiths' Fair for independent designer-makers in the UK, URL: <http://www.goldsmithsfair.co.uk>
<http://www.thegoldsmiths.co.uk/exhibitions-promotions/goldsmiths%27-fair/>
- Fashion jewellery trade show Springfair, URL: <http://www.springfair.com>



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