



CBI
Ministry of Foreign Affairs

CBI Product Factsheet:

Bridge Jewellery in Italy

Introduction

Given the economic stagnation and high unemployment rate, consumers in Italy are starting to spend less on luxury goods. This provides huge potential for bridge jewellery exporters from developing countries (DCs), thanks to their edge in production costs. As Italian consumers are knowledgeable about jewellery, DC exporters should focus on design excellence and innovative use of diverse materials to stand out in this market.

Product definition

Bridge jewellery fills the gap between fine jewellery and costume jewellery. It offers better value than costume jewellery, at a slightly higher price. Most bridge jewellery is artisan-made, but mass-produced versions are also available.

The metal used in bridge jewellery consists of relatively affordable materials:

- gold-filled
- sterling silver
- vermeil - a blend of sterling silver, gold and other precious metals
- rhodium
- various alloys (such as Silvadium, Heraeus, and Argentium Silver).

Bridge jewellery is typically made with:

- semi-precious gemstones such as amethyst, turquoise, peridot, citrine, spinel, garnet, aquamarine, cubic zirconia, faux stone, freshwater pearls and Swarovski Elements.

The four precious stones (emerald, diamond, ruby and sapphire) tend to be too expensive for bridge jewellery.

Bridge jewellery is priced between costume jewellery and the more expensive fine jewellery. It ranges from € 100 to € 400 depending on metals, stones and product type (earrings, necklaces, rings etc.). Jewellery made of silver, alloys and gold-plated silver are more affordable than that using gold and more precious stones.

The bridge jewellery market in Italy consists of many small players, given the country's tradition and its skilled craftsman. Some popular brands are [Roberto Coin](#), [Carolina Bucci](#), and an upcoming brand [Delfina Delettrez](#), from the Fendi family. Prominent jewellery brands are also starting to expand into this lower-end segment, while fashion brands like [Marni](#) are likewise attempting to establish a position in this sector.

Photo examples:



Bracelet, [Roberto Coin](#)



Necklace, [Roberto Coin](#)

Bridge jewellery and fine jewellery are grouped together under the [Harmonised System](#) (HS) codes 711311, 711319 and 711320 established by the World Customs Organisation (WCO).

Product specifications

Quality:

The choice of metals and gemstones determines the robustness of jewellery and its resistance to scratching and other damage. Precious metals and stones are, no doubt, more robust and damage-resistant. The intrinsic value of jewellery is characterised by the quality of the metal and gemstones used. The final price depends, however, largely on the brand positioning, design, the reputation of the designers and the craftsmanship used in production.

To enter any European market, including the Italy jewellery market, DC exporters must comply with all European quality standards such as EU Registration, Evaluation, Authorisation, and Restriction of Chemicals (REACH), and the EU Restriction of Hazardous Substances Directive (RoHS). The use of lead, cadmium, nickel and other hazardous metals is strictly regulated in Europe.

In addition, each wholesaler or retailer may have specific requirements. Apart from providing detailed specifications of the quality of the jewellery materials they use, DC exporters may need to document the requisite quality control at each step of the handcrafting process.

For further information, see [Buyer Requirements](#) in this document.

Labelling

Generally speaking, compliance with EU product labelling rules is sufficient for DC exporters wishing to trade in Italy. However, it is important to pay attention to any additional rules and regulations that apply only in Italy, because EU legislation does not cover all products.

As a rule, product labelling for goods marketed in Italy should provide information on the identity, quality, composition and conservation of the product in question. The information must be in Italian, but information in English or French can also be added. Some basic labelling requirements in Italy are:

- Name of product,
- Net and gross weight (in kilograms),
- Name and location of supplier/manufacturer (optional),
- Serial number,
- Environmental logos if applicable.

The information on the label must also be provided in the form of electronically readable [barcodes](#).

There is no current obligation to provide information on the origin of jewellery. However, this may change since the European Commission has presented a proposal for a Council Regulation on indication of the country of origin of certain products, including jewellery, which are imported from developing countries.

Photo example:



Labels

Tip:

- Some Italian wholesales or retailers may re-label products under their own brand. Confirm all labelling requirements with Italian partners to ensure compliance with all local requirements as well as their own specific preferences.

Packaging

Jewellery is often imported in bulk to Europe in exclusive plastic bags or cardboard boxes. Once jewellery has been shipped to Italy, it is packaged in exclusive premium jewellery boxes, textile or organza bags. (Organza is a thin, plain-weave sheer fabric.)

Manufacturers or exporters must not offer gift boxes unless these are specifically ordered by the European buyers. If retail packaging is already available, please check whether your buyers need it. European buyers often want to have their own brand on the packaging.

Packaging must protect the product from damage and the buyer from possible injury. Packaging for products imported to Italy must meet EU requirements, such as [general European requirements for packaging](#). DC exporters must ensure that the packaging:

- has the specified minimum weight and volume;
- does not exceed the maximum permissible levels of hazardous substances;
- is recyclable (optional, but greatly appreciated by Italian consumers) and is labelled with a recycle symbol.

Photo examples:



Gift box, [link](#)



Organza bag, [link](#)

Buyer Requirements

All products exported to and sold in Europe must comply with all relevant EU regulations and standards. All jewellery exporters must comply with 1) mandatory requirements, 2) common requirements and 3) niche requirements. The mandatory requirements are the minimum requirements to be met by exporters. Products that fail to meet these requirements are not allowed on the EU market. Common and niche requirements are additional requirements that are typically set by the European buyer and are increasingly demanded by consumers too.

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. Jewellery should not have any sharp edges. Furthermore, the product should not break easily or pose any other risk in normal use. You may consult the [EU Export Helpdesk](#) for a more detailed overview of these requirements.

Tips:

- Study the [General Product Safety Directive in the EU Export Helpdesk](#).
- Ensure that your products are safe for consumers.
- Check the [RAPEX database](#) used by EU Member States to exchange information on unsafe products and to be aware of possible non-compliance.
- Consult your buyer about specific requirements in terms of product safety. Some buyers may expect your products to comply with EU legislation while others may have additional wishes of their own.

Chemicals

As mentioned above, manufacturers must comply with the Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH) regulations for nickel release, lead, cadmium and phthalates in order to gain access to European markets.

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). Jewellery with a lead content 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, rings, piercing jewellery and earrings, wristwatches, wrist-wear, brooches and cufflinks.

The use of cadmium and its compounds is restricted by REACH. Jewellery with a cadmium content equal to or greater than 0.01% by weight is not allowed on the EU market. The regulation applies to metal beads, metal parts of jewellery, other metal components for jewellery making, imitation jewellery articles and hair accessories, namely 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. Nickel and its compounds shall not be used in any post assemblies which 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 0.2µg / cm² / week (migration limit); and in articles 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 lighteners, rivet buttons, lighteners, rivets, zippers and metal marks, when these are used in garments, if the rate of nickel release from the parts of these articles coming into direct and prolonged contact with the skin is greater than 0.5µg / cm² / week.

The use of AZO dyes and Azocolourants is regulated by REACH. AZO dyes are a group of synthetic nitrogen-based dyestuffs that are often used in the textile industry. Leather and textile components used in jewellery articles made of coloured leather or other synthetic materials should contain less than 30mg/kg (0.003% by weight) of the AZO dyes listed in [Appendix 8](#) and [Appendix 10](#) of REACH. Azo dyes and 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 the jewellery.

Chromium VI in Leather: if your jewellery pieces have leather elements, make sure that the chromium VI content does not exceed 3.0mg/kg. This new legislation was adopted in March 2014 and came into effect on 1 May 2015.

Tips:

- Ensure the content of lead, cadmium, nickel or Azo dyes does not exceed the permitted level in all your jewellery products, and in the metal parts and beads used in the final product. Many European buyers even require nickel-free jewellery articles.
- Verify compliance with the Chromium VI in Leather legislation using the test method described in [EN ISO 17075](#).
- Gather more information on relevant REACH requirements. Note that REACH applies to several sectors; the following regulations are of prime importance for jewellery exports to Europe:
 - [Regulation EU No. 836/2012](#) for lead content in jewellery;
 - [Regulation EU No 494/2011](#) for cadmium content in jewellery;
 - [Regulation EC No 552/2009](#) for nickel content in jewellery;
 - [Annex XVII of REACH](#) for Azo dyes use in jewellery.
- Consult European buyers on the need for test reports. Smaller buyers usually refer to standard chemical requirements, while some major retailers may require additional tests they will perform themselves.

CITES

Parts of wild plants and animals such as shells, coral, leather and wood used in bridge jewellery may not be from endangered species and must comply with the restrictions listed in the Convention on International Trade in Endangered Species (CITES).

Tips:

- Check that your products do not contain any elements prohibited by CITES.
- Refer to the [EU Export Helpdesk](#) for more information on CITES, and consult the list of restricted species given in [Annexes A, B, C and D of this regulation](#). The EU Export Helpdesk also provides information on different procedures applicable to such products.

Hallmarking

Italy does not have a hallmarking system guaranteeing the precious metal content of jewellery. Individual manufacturers are responsible for the marking of products. They must display their identification mark and the fineness of the metal on all products sold in Italy. Every Italian manufacturer has an identification mark composed of a number and the first two letters of his region. It is worth noting that 18k is the lowest permissible gold content at which jewellery can be designated as gold in Italy.

Tip:

- Discuss hallmarking with your Italian buyers to ensure that you thoroughly understand and meet all their specific requirements. This is advisable, even though you may have experience of dealing with other European countries.

Common Buyer Requirements

Sustainability

Sustainable product offerings range from recycling to the choice of sustainable materials and improved social conditions for the original jewellery-makers (see Niche Buyer Requirements below). EU buyers increasingly support products that are manufactured with respect for human rights, labour conditions and the environment.

Sustainability is particularly important for the textile and apparel industry, in mining and jewellery, but also in many other industries. Two retail initiatives that have gained ground in Western European countries are the [Business Social Compliance Initiative \(BSCI\)](#) and the [Ethical Trading Initiative \(ETI\)](#).

Larger EU companies even develop their own Corporate Social Responsibility (CSR) policies and require their suppliers to conform to them. In particular, workers' health and safety are sensitive topics in Europe. DC exporters must thus ensure proper working environments for their workers to avoid losing their reputation.

Tips:

- Aim to improve your sustainability performance. This includes not only obtaining the necessary certification without delay, but also undertaking new initiatives.
- Consult the [Standards Map database](#) for relevant labels and standards.
- Consider performing a company self-assessment with the aid of the [BSCI website](#) to develop some guidelines on how to build an ethical supply chain.

Niche Buyer Requirements

Fairtrade labelling

Fairtrade labelling of products is an initiative that supports fair pricing, improved social conditions for producers and a guarantee of fair and responsible practices in the entire jewellery supply chain. Such sustainability initiatives are fundamental for manufacturers of jewellery that contain precious metals and precious stones, as the welfare of miners and the effect of mining activities on the environment are key issues in this industry.

There is a growing awareness that the jewellery sector should be more transparent and accountable for the materials used. In line with this, many jewellery manufacturers highlight their transparency and accountability by entering into a partnership with [Fairtrade](#), the [Responsible Jewellery Council](#) and other international organisations to demonstrate their ethical practices. For further information, refer to [EU Buyer Requirements for Jewellery](#).

Tips:

- Keep up-to-date on the status of Fairtrade labels, which are still a niche segment in Italy but may become more popular in the future. Familiarise yourself with the programmes offered by the [Responsible Jewellery Council](#), [Fairgold](#), [Fairmined](#) and similar initiatives.
- State your ethical principles clearly in all marketing materials.

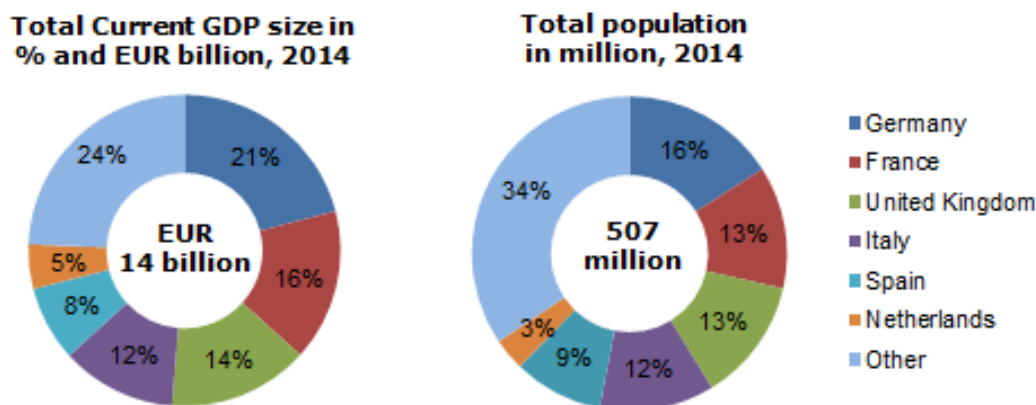
For further details, consult the [EU Buyer Requirements for Jewellery](#) on the CBI Market Intelligence Platform.

Macroeconomic Statistics

Italy is the fourth largest economy in Europe and the eighth largest economy in the world. It has a diversified industrial base and is well-known for high-quality consumer goods.

- **Population:** The population of the EU-28 was estimated to be 506.8 million in 2014 according to Eurostat. Italy contributes almost 13 percent to this total (approximately 60.8 million).
- **Economy size:** According to BBC Monitoring and CNN Money, Italy is the fourth largest economy in Europe (after Germany, the UK and France). The country's GDP was more than €1.6 billion in 2014, nearly 12 per cent of the total for the European Union.

Figure 1: Key 2014 macroeconomic indicators for the leading European countries including Italy

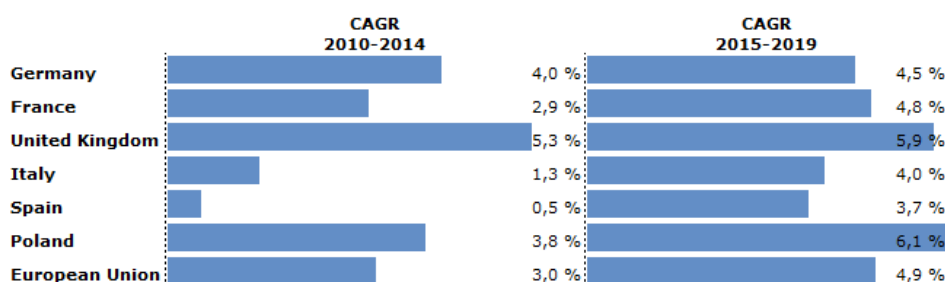


Source: IMF and Eurostat 2015

Economic growth:

Despite negative growth between 2012 and 2014, Italy still reported an average annual growth of 1.3 per cent for the period 2010 - 2014. The country is expected to return to stronger growth (4 per cent per annum) over the next five years, which is slightly below the predicted GDP growth of 4.9 per cent for Europe as a whole. To be more precise, the International Monetary Fund (IMF) predicts that Italy's GDP will grow by 0.5 per cent in 2015 and 1.1 per cent in 2016. The country is expected to enjoy stronger exports and a slight improvement in domestic demand in this period.

Figure 2: Compound Annual Growth Rate (CAGR) for 2010-2014 and the estimated CAGR for 2015-2019 for the leading European countries including Italy

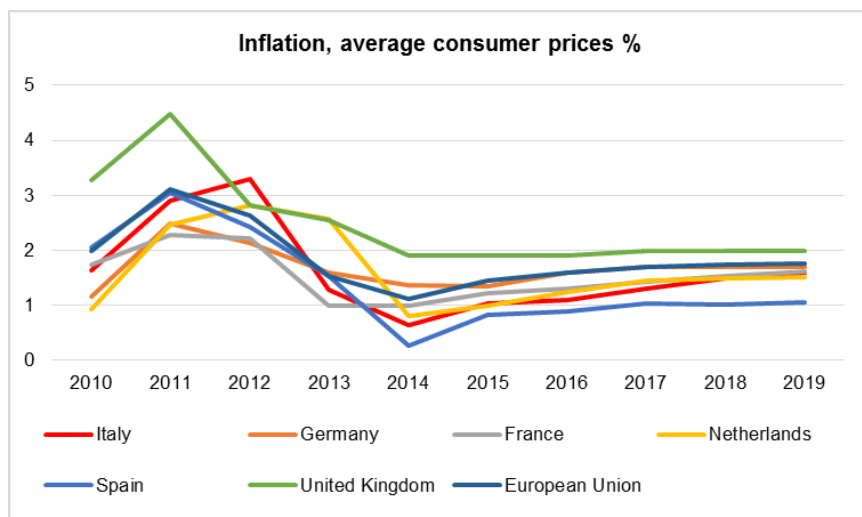


Source: IMF 2014, World Economic Outlook Database

Consumer prices and inflation:

The average annual inflation rate in Italy was close to 2 per cent in the period 2010-2014. After a peak of 3.3 per cent in 2012, Italy's inflation rate dropped abruptly to around 1.3 per cent in 2013 and 0.65 per cent in 2014, the lowest average inflation since 1959. Prices in Italy are expected to rise by an average of 1.3 per cent per annum in 2015-2019, somewhat below the predicted average EU inflation rate of 1.6 per cent.

Figure 3: Consumer price inflation in the period 2010-2014 and expected inflation rate for 2015-2019 in the leading European countries including Italy

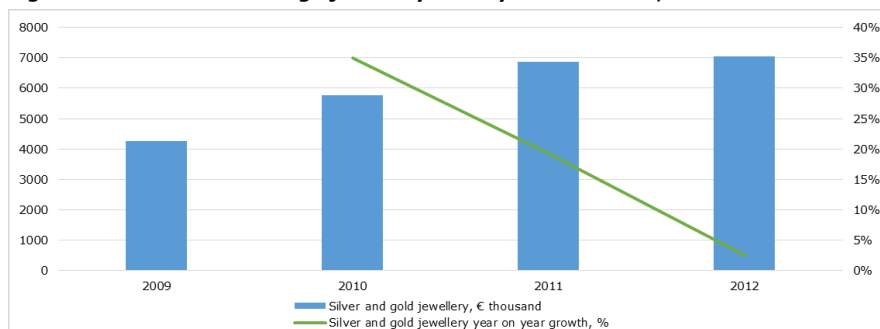


Source: IMF 2014

Trade Statistics

Production and consumption

Figure 4: Production of bridge jewellery in Italy in 2009-2012, value in € million and growth in %



Source: Eurostat and Istat

The production of bridge jewellery in Italy amounted to slightly over €7 billion in 2012. Jewellery production grew fastest in 2010, at a rate of around 35 per cent, but fell markedly in the next couple of years. There was only 2.5 per cent growth in 2012, due to a significant decline in exports. The outlook for this sector in coming years is said to be more promising. Due to its high cost base and the tariff barriers Italian producers face when exporting their products, Italy is facing fierce competition from India, China and Turkey.

The declining position of Made-in-Italy jewellery presents an opportunity for DC suppliers. Improved design skills and cheap labour in developing markets give DC exporters numerous advantages in the developed yet unorganised Italian jewellery sector. As Italy is globally recognized for its trend-setting designs, success here can generate a very positive image for DC manufacturers and exporters.

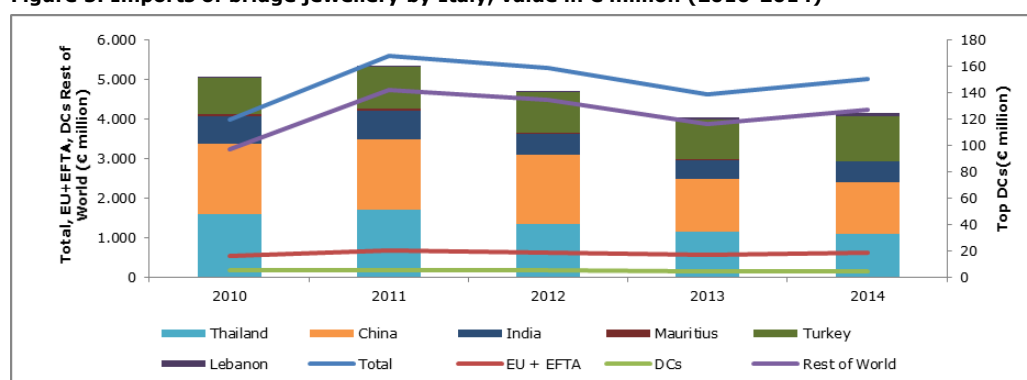
Italian consumers refrain from excessive expenditure, since the labour market in Italy is still poor despite some improvement. Bridge jewellery is regarded as a smart choice under such circumstances, given its good quality and affordable price. The growth in the bridge jewellery market is also facilitated by increased sales to tourists.

Tips:

- Control and trim down total production costs to offer a better price compared with other Italian players.
- Make as much use as possible of economical materials such as silver, rhodium/gold-plating/rose plated silver and various alloys for innovative and bold designs.
- Understand consumer demand and preferences as well as the market positioning of existing players in the Italian bridge jewellery market.

Import and export

Figure 5: Imports of bridge jewellery by Italy, value in € million (2010-2014)



Source: Eurostat (May 2015)

In value terms, the total imports of bridge jewellery to Italy showed a CAGR of around 6 per cent in 2010-2014. Only around 12.5 per cent of the imports came from Europe. The share of developing countries in the imports is still small, slightly below 4 per cent.

Future prospects for bridge jewellery imports to Italy are anticipated to be good. Higher demand for bridge jewellery will fuel sales for exporters who are willing to improve on designs, production technology and product quality.

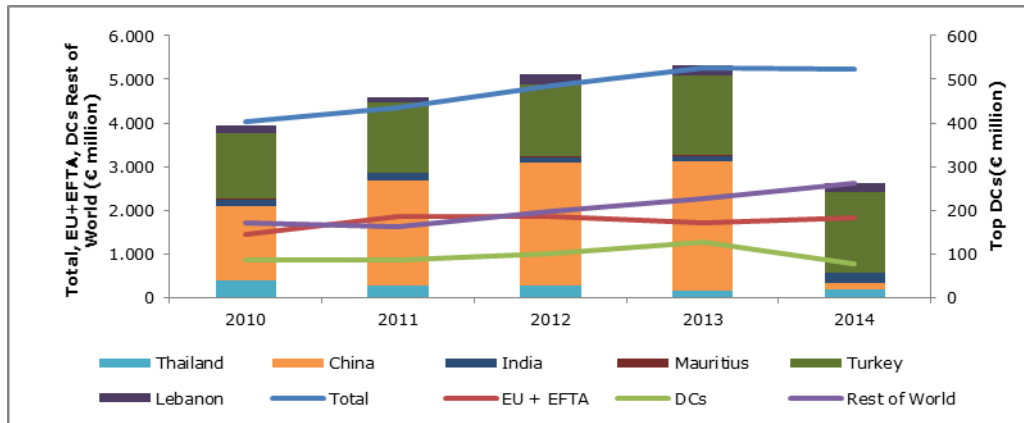
Various players worldwide play a major role in exporting bridge jewellery to Italy. Among developing countries, China, Turkey and India are the leading exporters, being responsible for an average cumulative share of around 2.5 per cent of total imports. The performance was below expectations between 2012 and 2013, due to economic stagnation in Italy.

Although still a small player, Lebanon has started to perform much better on the Italian jewellery market in recent years. Imports from this country grew by an impressive 28 per cent in 2014. Lebanon benefits from a growing number of recognized local jewellery designers who are famous for their futuristic yet elegant and ethnic jewellery pieces.

Tips:

- Enable purchase trials and capture mass demand for affordable jewellery with reasonably priced silver and gold jewellery.
- Visit important trade fairs like [VicenzaOro Fall](#) and [VicenzaOro Winter](#) in Italy to get to know importers and stay in touch with changes in styles and in the market.
- Keep ahead of fashion trends with frequent launches of intriguing designs supported by effective, convincing marketing campaigns.

Figure 6: Exports of bridge jewellery from Italy, value in € million (2010-2014)



Source: Eurostat (May 2015)

Exports of bridge jewellery from Italy have grown substantially in the past five years, up by 7 per cent CAGR between 2010 and 2014. On average, almost 37 per cent of Italian bridge jewellery is bought by European consumers. Exports to developing countries contribute up to 20 per cent of total exports on average.

Italian jewellery seems to be losing its dominance on the global market, and has shown a remarkable drop in sales on some markets. There is strong competition from China, Turkey and India. Besides, the market has been hit hard by the global economic crisis and slow domestic growth in Italy. In Europe, France remains the most important market for Italian bridge jewellery with a nearly 20 per cent share on average.

One remarkable finding for 2014 is that exports to China have almost vanished. This might be due to the high import tax Chinese consumers now have to pay on products from abroad.

Tips:

- Consider reaching other European countries via indirect exports after successfully getting a foot in the Italian market.
- Build and retain good relationships with Italian buyers with trading experience, since Italy is a major exporter of jewellery in Europe and worldwide.

Market Trends

Italy is one of the leading jewellery markets worldwide. Local consumers are proud of their 'Made in Italy' designs which stand for history, nobility and craftsmanship. Hence, DC exporters and manufacturers must make a commitment to offering the finest quality jewellery to Italian buyers, commensurate with Italy's position as one of the biggest jewellery markets in the world where consumers are very knowledgeable about jewellery products.

Italians no longer purchase jewellery as a means of conspicuous consumption. They do not want to spend much on jewellery, which now has a short life cycle comparable with that of other fashion trends. To capture the growing demand for bridge jewellery, DC exporters need to come up with frequent new distinctive designs and shapes.

Like their counterparts in other European countries, Italian consumers are attracted to products that meet higher ethical standards. Many Italian jewellery brands and retailers are trying to win Fairtrade recognition or some similar status. [DeMaria](#), for instance, is an Italian jewellery firm that works with Amnesty International to promote the significance of the Universal Declaration of Human Rights. DC exporters can also use social responsibility messages to gain consumer support.

Furthermore, many Italian consumers collect information online before making in-store purchases. They study all available sources in order to compare product qualities and prices. Many also consult social media for new trend updates and most importantly product evaluations by other consumers. DC exporters would thus be well advised to embrace digital media as an advertising and communication platform.



DeMaria, Human Rights collection, [link](#)

Tips:

- Keep up-to-date on fashion trends and fashion icons in target markets.
- Create a unique selling proposition such as customisable jewellery to stand out from existing strong players.
- Continuously introduce new designs and expand product offerings to prompt more frequent purchases.
- Work with good brand building experts or your own internal team to create a unique selling proposition that differentiates your offerings from those of existing strong players.
- Sign up to social responsibility and environmental initiatives to influence the purchase decisions of Italian consumers in your favour.
- Use new and recycled materials to attract consumers who value environmentally sustainable production.
- Consider social media as a platform for conveying information and for promoting your brand.

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

Market Channels and Segments

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

Price

Figure 7: Price structure



Your Free On Board (FOB) price must cover all the following basic costs: production costs (raw materials, labour), administration costs (rent, electricity and other fixed costs), transportation costs (to airport or harbour for instance) and marketing costs (expenditure on marketing materials, catalogues, website, travel costs to European trade fairs and other related costs). If you decide to work with Alibaba, Google, Amazon or other online marketing platforms, be prepared to absorb additional costs.

Understand the various costs and value chain margins that add to the product price. Logistics costs for bridge jewellery are relatively high as the total order value is typically lower than that of other products such as fine jewellery.

Tips:

- Do your homework carefully before deciding on the price.
- Select long-term European buyers who are willing to buy in bulk to reduce transport costs.
- Choose wisely between retailers and wholesalers as your trading partner. The former may offer higher profits but their logistics costs are normally incredibly high.

Field of Competition

For further information, please refer to CBI Field of Competition for Jewellery, as the market competitiveness of Bridge jewellery in Italy does not differ much from that given in the 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>
- Italian National Institute of Statistics, URL: <http://www.istat.it/it/>

Trade Fairs

- VicenzaOro Fall, URL: <http://september.vicenzaoro.com>
- VicenzaOro Winter, URL: <http://www.vicenzaoro.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

Disclaimer CBI market information tools: <http://www.cbi.eu/disclaimer>

August 2015