



CBI
Ministry of Foreign Affairs

CBI Product Factsheet:

Costume Jewellery in Italy

Introduction

Jewellery exporters from many developing countries (DCs) have booked great success in Italy, one of the largest single consumer markets for jewellery in Europe. Costume jewellery has become more popular than big-ticket items in the past decade due to the sluggish economy. The Italian costume jewellery sector is predicted to have a glittering future with room for further expansion and new players. Given the intense competition, however, DC exporters need to offer novel designs and manage their costs well if they are to succeed.

Product definition

Costume jewellery (also called fashion jewellery) is an accessory used to highlight one's personality, style and ensemble. It can be artisan-made or mass-produced.

Costume jewellery often incorporates the following metals and materials:

- non-precious metals: brass, steel, zinc casting, tin casting, 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 allows consumers to follow trends on a budget and is strongly influenced by fashion trends. Prices range from €1 to €100, depending on metals, stones and product types (earrings, necklaces, rings etc.). Typically, pieces with non-precious materials are cheaper than those with semi-precious metals and stones. However, the price depends substantially on the brand positioning, design, reputation of the designers and the level of craftsmanship used in production.

The majority of costume jewellery in Italy is unbranded, but there are a few popular brands which specialise in costume jewellery. An outstanding example is [Tataborello](#), which was founded by Federica Borello in 2001.

Costume jewellery is grouped under [Harmonised System](#) (HS) codes 711711, 71171910, 71171991, 71171999 and 711790 established by the World Customs Organisation (WCO).

Photo examples:



Bracelet, [Tataborello](#)



Earrings, [Tataborello](#)



Unbranded jewellery



Unbranded jewellery

Product specifications

Quality

The quality of costume jewellery is defined by the craftsmanship of the jeweller and the materials used in crafting the pieces. 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. Consumers purchase costume jewellery mainly for its craftsmanship, styles and design rather than the value of materials. In line with this, many costume jewellery brands utilise plated metals and fake gems to create creative pieces at a very affordable price.

To enter any European market, including the Italian 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 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 new rules and regulations 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. 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 the 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. It is therefore advisable to confirm all labelling requirements with Italian partners to ensure compliance with all local requirements as well as their own specific preferences.

Packaging

Costume jewellery is usually shipped to Europe in bulk in large cardboard boxes and is not packaged in individual bags or boxes. Once the jewellery arrives in Italy, it is repacked for the retail trade. Costume jewellery is packaged in creative, attractive cardboard boxes, textile or organza bags (Organza is a thin, plain-weave sheer fabric) for sale to the end-consumer. Gift boxes made from fancy materials are not widely used for fashion jewellery, due to their relatively high price.

Packaging is usually not supplied by the manufacturer but is typically ordered separately. In some cases, buyers may request special packaging with their own logo, barcodes etc. This decision mainly depends on the difference in the cost of packaging in the country of origin and in the country of destination. If you can offer eye-catching packaging for retail

purposes, feel free let the European buyer know about this. Be prepared to put your European customer's brand on the packaging, if required.

Packaging must protect products from damage and the buyer from possible injuries. Packaging for products imported to Italy must meet EU requirements, such as the [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 relevant EU regulations and standards. All jewellery exporters must comply with 1) mandatory requirements, 2) common requirements and 3) niche requirements. Mandatory requirements are the minimum requirements the exporters must meet. 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 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 risks 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 with your buyer about specific product safety requirements. 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 chemicals 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 costume jewellery may not come from endangered species and must comply with the restrictions of 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 in [Annexes A, B, C](#) and [D](#). 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. As costume jewellery is made of inexpensive materials, DC exporters of such jewellery to Italy may not need to know about hallmarking regulations.

Tip:

- Discuss hallmarking with your Italian buyers to ensure that you thoroughly understand and meet all their specific requirements, if any, even though costume jewellery is usually made of inexpensive materials which as mentioned above may not require hallmarking.

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 (for example one of the eight certificates in the ISO 9000 series) without delay, but also undertaking new initiatives.
- Consult the [Standards Map database](#) for relevant labels and standards.
- Consider performing a company self-assessment as described in the [BSCI website](#) in order 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 throughout the 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.

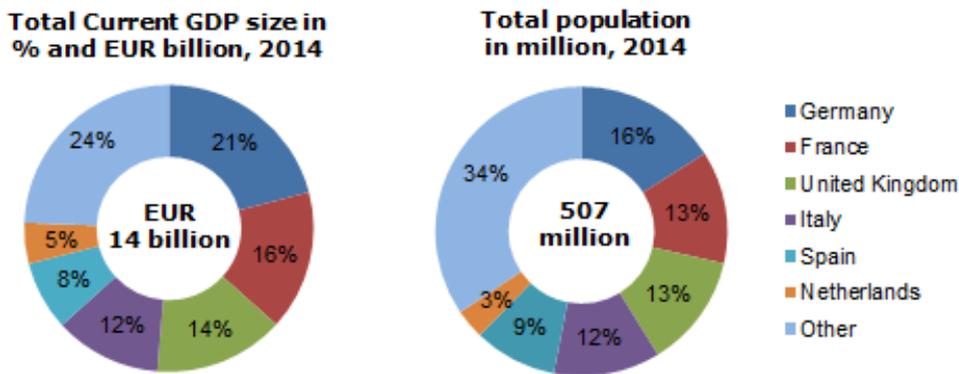
For further details, consult the [EU Buyer Requirements for Jewellery](#) on the CBI Market Intelligence Platform.

Macroeconomic Statistics

Italy is the fourth largest economy in Europe and the eighth largest economy in the world. Italy 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 per cent to this total population (approximately 60.8 million people).
- **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

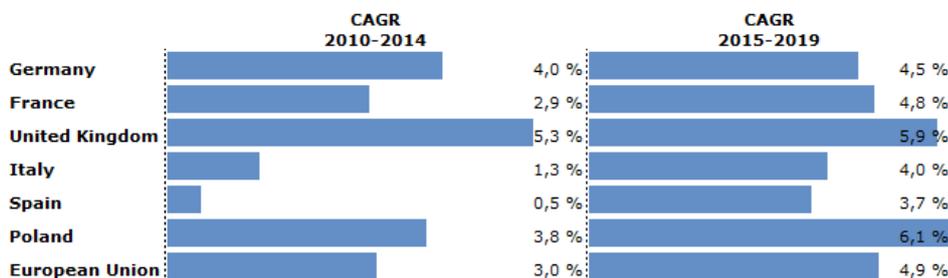


Source: IMF and Eurostat 2015

Economic growth

Despite negative growth between 2012 and 2014, Italy still reported an average annual growth of 1.3 per cent for the period between 2010 and 2014. The country is expected to return to stronger growth (4 per cent per annum), which is slightly below Europe's GDP growth of 4.9 per cent. 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 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 estimated CAGR for 2015-2019 for the leading European countries including Italy



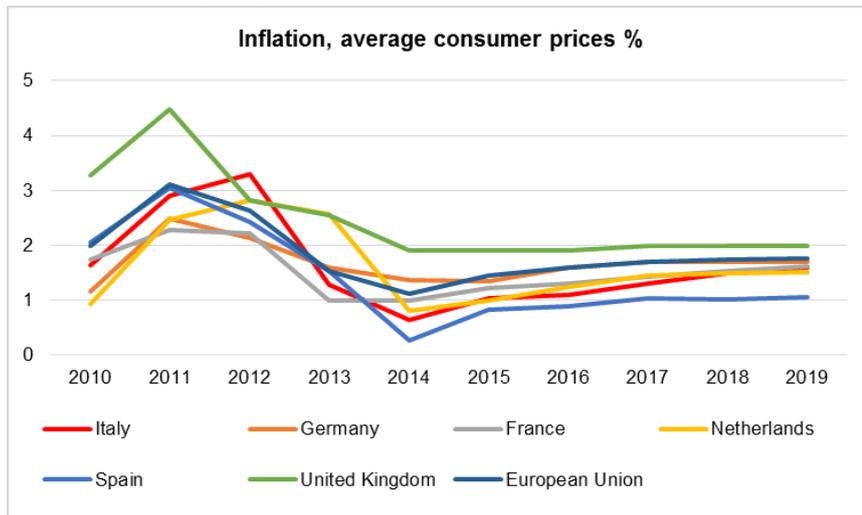
Source: IMF 2014, World Economic Outlook Database

Consumer prices and inflation

The average annual inflation rate in Italy was close to 2 per cent in the period 2010-2014. After peaking at 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 rate since 1959. Prices in Italy are expected to rise on average by 1.3 per cent per annum in 2015-2019, somewhat below the average EU inflation rate of 1.6 per cent.

The labour market in Italy remains weak. Local consumers refrain from excessive expenditure, but still attach importance to style. Though much less expensive than fine jewellery, costume jewellery can still look very elegant. As a result, Italians purchase costume jewellery frequently to keep up with fashion trends.

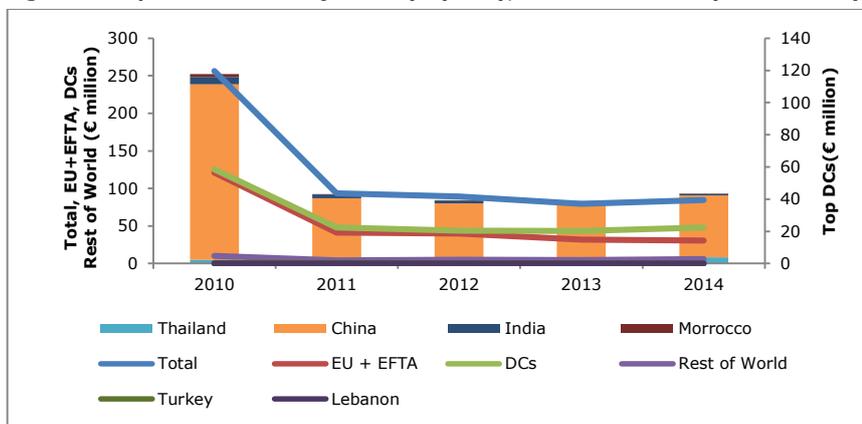
Figure 3: Consumer price inflation in the period 2010-2014 and expected inflation rate for 2015-2019 in the leading European countries including Italy, in %



Source: IMF 2014

Import and export

Figure 4: Imports of costume jewellery by Italy, value in € million (2010 – 2014)



Source: Eurostat (May 2015)

After a significant drop in 2011 due to the economic crisis and a very slight decline in the next two years, imports of costume jewellery in Italy began to improve slowly. The total value reported in 2014 was slightly over €84 million, a 6 per cent increase from the previous year. The outlook for the costume jewellery market in coming years is considered to be promising, with increased sales and better consumer perception of imported costume jewellery, especially that from developing countries.

DC exporters are among the main global players on the costume jewellery market, meeting over 52 per cent of total import demand in Italy on average.

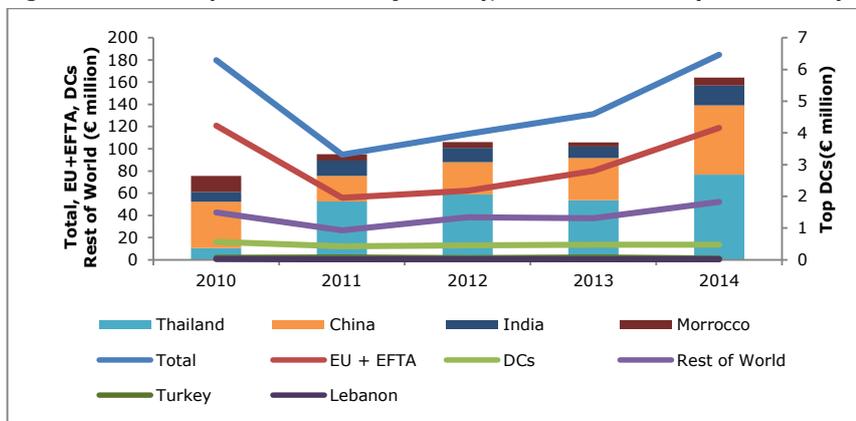
In 2010, DC exporters and exporters from Europe and the EFTA countries each had a more-or-less 47 per cent share of total Italian imports. By 2014, the share enjoyed by DC exporters had risen to almost 57 per cent while that of their counterparts in Europe and the EFTA countries had fallen to 36 per cent. This signals a bright future for DC exporters. It is worth noting that French exporters are major competitors, though imports from France have lately experienced a slowdown.

Improved design skills and cheap labour in developing markets give DC exporters numerous advantages. As Italy is globally recognized for its trend-setting designs, success here can effectively build up the business and brand image of DC manufacturers and exporters.

Tips:

- Facilitate purchase trials and capture mass demand with competitive prices.
- Visit important Italian trade fairs like [VicenzaOro Fall](#) and [VicenzaOro Winter](#) to get to know importers and keep 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 5: Italian exports of costume jewellery, value in € million (2010 – 2014)



Source: Eurostat (May 2015)

After a poor performance in 2011, Italy exported costume jewellery worth nearly €185 million in 2014, a rise of 41 per cent compared with 2013. On average, 61 per cent of total exports of Italian costume jewellery go to in Europe. France, with around a 31 per cent share, is one of the major markets for Italian costume jewellery.

Italian exports to developing countries made up only 10 per cent on average of all exports to this market between 2010 and 2014. Italian exporters face intense competition from exporters from developing countries and other parts of the world. However, they have a strong presence in the United States: their exports to this country were valued at €27 million in 2014, a 77 per cent rise from 2013.

Tips:

- DC exporters would do well to follow the Italian news and share information with Italian trading partners to learn from the experience of Italian exporters who acted fast to turn around sales on the international market, as this may help them to improve their own performance on this market.
- Build and retain good relationship with Italian buyers by delivering quality products on time; this will encourage them to share useful contacts with potential new buyers in other countries.
- Consider reaching other European countries such as France, and the United States, via indirect exports after getting a foot in the Italian market.

Market Trends

Italy is one of the leading jewellery markets worldwide. Local consumers are proud of their 'Made in Italy' design which stands for history, nobility and craftsmanship. However, quality may not be a critical purchasing factor in the costume jewellery market. What consumers are looking for here is creative designs at reasonable prices.

- Italians no longer purchase jewellery as a means of conspicuous consumption. They prefer to buy good-looking costume jewellery which matches the latest fashion trend perfectly. Such items usually have a short life cycle, but the low price makes these frequent purchases affordable. DC exporters wishing to gain access to this market should therefore offer a constant variety of new, distinctive designs.

- Affordable luxury brands such as [Maxmara](#), fast-fashion brands like [H&M](#) and [Zara](#) and numerous unbranded fashion boutiques in Italy have introduced a wide array of costume jewellery pieces, underlining the favourable prospects for low-priced yet fashionable jewellery.

Like their counterparts in the rest of Europe, 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 use similar social responsibility messages to gain consumer support.



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

Tips:

- Stay up-to-date on fashion trends and fashion icons in the target market.
- Respond flexibly to product orders and stick to promised delivery times. This is important in view of the short life cycle of costume jewellery.
- Continuously introduce new designs and expand product offerings to prompt more frequent purchase.
- 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. Source your materials carefully and monitor the certification and ethical principles of your suppliers and trading partners.

Italians like to show off their individual style. They usually select jewellery accessories that help to give them a unique look. This facilitates the growing trend in personalised costume jewellery. Not only global international brands but also local Italian companies such as [Nomination](#) claim to help consumers to express their own personalities with the aid of customised jewellery.



Nomination, [link](#)

Tip:

- Consider offering customisable jewellery collections alongside your main jewellery lines to create a unique selling proposition.

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.

Tips:

- Consider social media as a powerful platform for sales promotion and passing on useful information about your products.

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 6: Price structure



Your Free On Board (FOB) price must be calculated so as to cover all the following basic costs: production costs (raw materials and labour), administration costs (rents, electricity and other fixed costs), transportation and marketing costs (expenditure on marketing materials, catalogues, website, travel costs to European trade fairs and other related costs). If you're using Alibaba, Google, Amazon or other online marketing tools, be prepared to pay for these services and include this in your cost calculations.

Be aware of the various costs and value chain margins that add to the product price. Logistics costs for costume jewellery are relatively high compared with those for fine jewellery, as the total order value is typically less.

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 partners. 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 Costume 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>
- Market research company Euromonitor, URL: <http://blog.euromonitor.com>
- 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/>



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