



CBI
Ministry of Foreign Affairs

CBI Trade Statistics:

Jewellery

Introduction

Despite the economic crisis, the European jewellery market has consistently shown great opportunities for importers from Developing Countries. While countries like France and Italy have an established reputation for both classical and trendy jewellery, and numerous fine jewellery brands, Europe needs imports from Developing Countries mainly in the fields of costume jewellery, bridge jewellery (affordable gold and silver jewellery), special jewellery designs and jewellery components. Suppliers from Developing Countries still offer competitive pricing, though big manufacturing forces like China are gradually losing market share to other DC suppliers such as Malaysia and Mauritius.

Management summary

In 2014, economy in Europe was slowly recovering and this had positive impact on the jewellery market. Consumption and production of jewellery were driven by both growing tourism and recovering local purchasing power. Besides, import achieved a healthy growth while export expanded more quickly. Jewellery and accessories with total value of € 17 billion were imported to Europe in 2014, and the share of imports from Developing Countries was 18%. The exported value reached € 23 billion in 2014, and the share of intra-European exports rose to 55% (comparing with 51% in 2013). Developing Country exporters should understand consumers' buying trends among both local spenders and tourists in Europe, and evaluate the markets and segments with potential to grow and can reveal developing country suppliers' cost advantage and product uniqueness.

Consumption

Despite the persistent global economic challenges and socio-political tensions between Ukraine and Russia in Eastern Europe, European jewellery sales continue to grow with support from international tourism.

- After insignificant sales growth in 2013, the European jewellery sales are expected to have grown 2-4% in 2014, according to consulting firm Bain. Sales in 2015 are expected to maintain the same growth rate of 2014. The jewellery demand drivers include:
 - regional price difference caused by the Euro exchange rate movements, especially for Asian tourists who are growing in number and purchasing power;
 - the decrease in average price of gold;
 - the partial displacement of Chinese tourists from Hong Kong to Europe, due to political agitation in Hong Kong against shoppers from Mainland China.
- The inhibitors of the jewellery market growth are deteriorating consumer confidence among local spenders and political unrest in Eastern Europe between Ukraine and Russia.
- Growth in jewellery sales varied from country to country:
 - As a leading sales country of jewellery, France has seen jewellery and watch sales of € 5.1 billion in 2014, a decline of 1% from 2013 (Source: Francéclat).
 - The UK jewellery and watch sales are expected to grow by 1.8% in 2014, with branded silver jewellery accounting for much of the growth for silver jewellery (Source: Mintel).
 - In Spain, 15% of tourist spending is made to purchase jewellery and watches. Tourists from China, Mexico, Japan and Russia have the highest average spending in Spain (Source: Acotex).
- Online market is the fastest growing channel for jewellery (see more in CBI Trends for Jewellery). For example, the sales of watches and jewellery in Germany have decreased by 6.4% in 2014, while online sales of Germany's watches and jewellery sector increased 8% compared with the that in 2014 (Source: IFH).

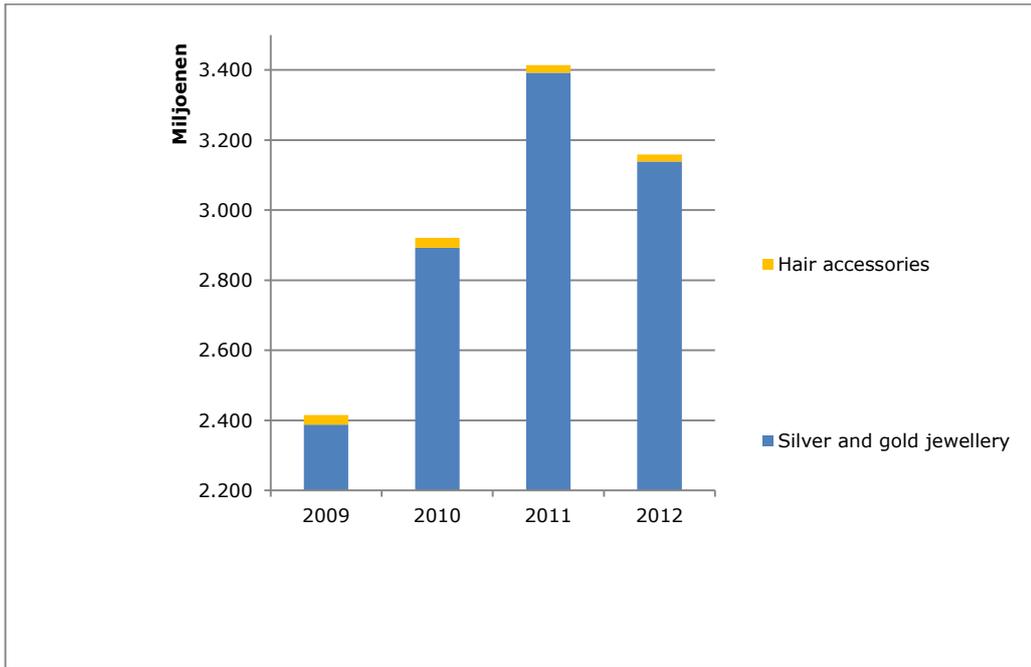
Tips:

- Notice the changes in sales volume of different categories of jewellery to better understand the latest consumer trends.
- Understand both tourists and local spenders in leading consuming markets and compare their differences on buyer tastes, metal and plating (Rhodium, rose gold, gold plating, etc.) preferences in jewellery and accessories (read more in CBI Product Factsheets for Jewellery).
- Pay appropriate attention to the online jewellery market in Europe and its consumer trends.

Production

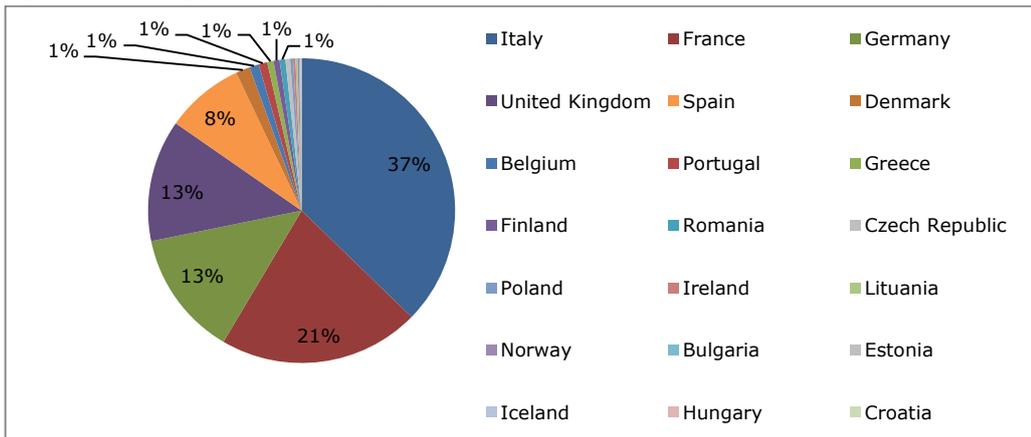
After a decline in 2012 and a subtle recovery in 2013, European production of jewellery has been more positive. Future production will still be influenced by labour costs and price fluctuations, especially for less expensive jewellery, while fine jewellery stays resilient.

Figure 1 EU* production of jewellery, value in € million (2009-2012)



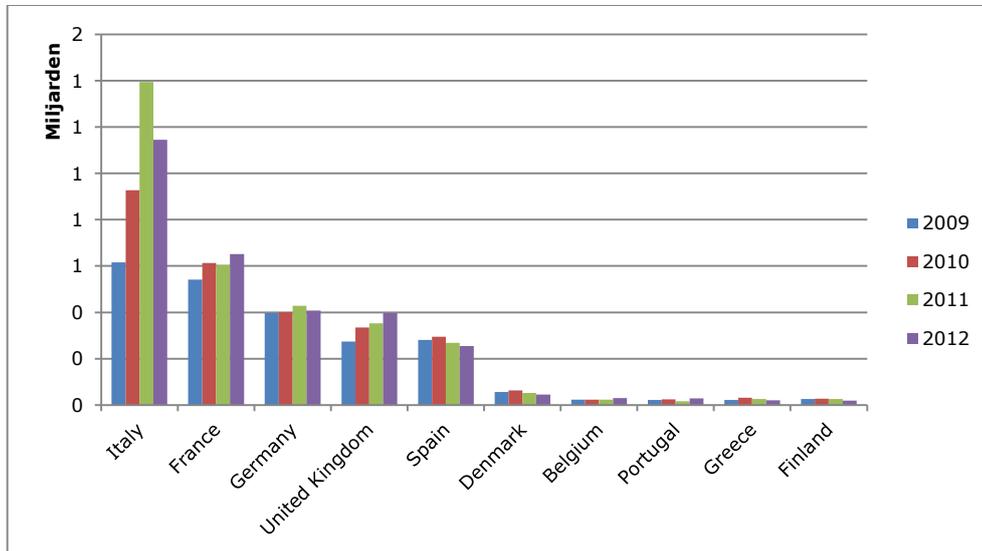
* Excludes data on costume jewellery
Source: Eurostat Prodcum (Updated in May, 2015)

Figure 2 Leading producers in EU*, 2012, in %



* Excludes data on costume jewellery
Source: Eurostat Prodcum (Updated in May, 2015)

Figure 3 EU* production of jewellery, value in € billion (2009-2012)



Source: Eurostat Prodcom (Updated in May, 2015)

- The European production of jewellery and accessories showed rapid growth during 2009-2011. The production had a year-over-year decrease of 6% in 2012 influenced by the economic slowdown in Europe. Production relocation to low-cost markets for branded jewellery also had an impact on the slowdown in Europe during that period; this trend has particularly affected the UK market.
- The importance of hair accessories is growing from 1% (2009-2010) to 6% (2011-2012) in total production value.
- Italy remains the leading producer of jewellery in Europe, with production value of € 1.1 billion in 2012, almost double the number of France, the second largest producer.
- The European jewellery market is recovering slowly in 2013 and 2014, and total production will be influenced by the labour cost and intensity in Europe and price fluctuations in precious metals.
- Countries such as Italy and France will keep the uniqueness of jewellery products with in-country expertise in-country and with the "Made in Italy/France" label. Their markets are very much driven by the global demand and by the export trends.

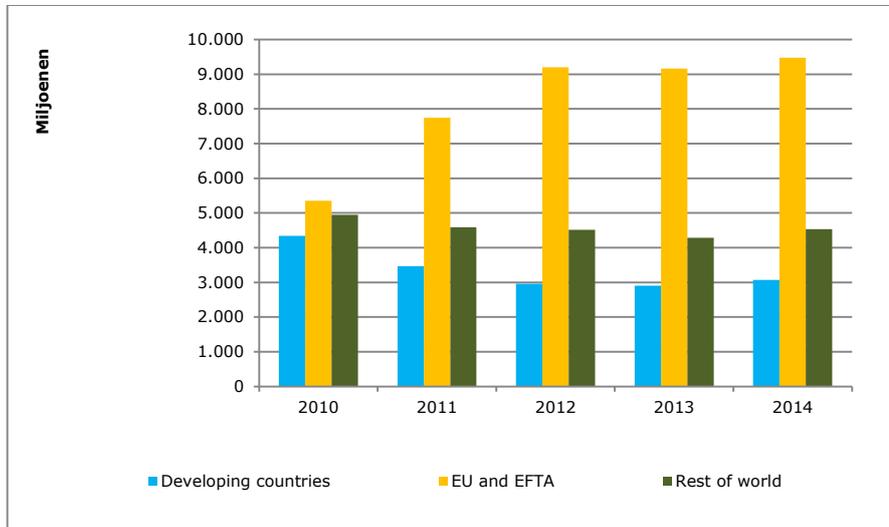
Tips:

- Understand consumers' preferences and dynamics in each European country to better target each market accordingly: follow European and global design trends online, do research on customer preferences and buying behaviour, and read the CBI product fact sheets
- Keep an eye on new jewellery segments and niche markets (by reading fashion magazines and visiting websites, etc.) in your target countries and match your product offerings to these needs.
- Approach not only big brands but also sub-brands and individual brands and independent artisans.

Import

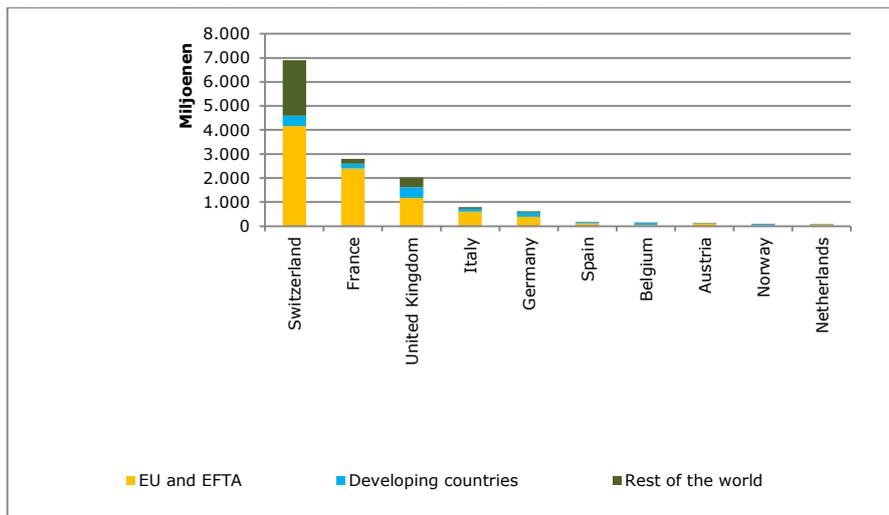
The European import of jewellery has seen solid growth in 2010-2014, with Compound Annual Growth Rate (CAGR) of 4%. Intra-European imports account for 55% of the total European imports in 2014. Leading Developing Country suppliers are China, Thailand, India and Turkey, while the Chinese import keeps declining in the last 5 years.

Figure 4: EU+EFTA imports of jewellery by region, value in € million (2010-2014)



Source: Eurostat (Updated in May, 2015)

Figure 5: Leading importers of jewellery by region, value in € million



Source: Eurostat (Updated in May,

Figure 6: Share and growth of imports of the leading Developing Countries suppliers to EU-EFTA, 2014, in %

Leading developing country suppliers	Share in Imports, 2014	CAGR* (2010-2014)
China	30%	-13%
Thailand	29%	-0.5%
India	16%	2.4%
Turkey	9%	11%
Lebanon	4%	5.7%
Malaysia	3%	81%
Vietnam	2%	-46%
Indonesia	1%	-8%

*Compound annual growth rate

Source: Eurostat (Updated in May, 2015)

- The total import of jewellery and accessories saw a significant increase over the last 5 years (overall growth of 16.6% in 2010-2014, and 4% in CAGR), driven by the constant demand for jewellery with creative and in-trend designs, and by recession-weary consumers' willingness to buy jewellery as investment.
- Total gold jewellery imports to the EU reached 73% of the total import value of jewellery and accessories in 2014, while total silver jewellery imports accounted for 17% of this value and costume jewellery for 7%. Gold jewellery import from Developing Countries to the EU was also the largest category (47%) in 2014, followed by silver jewellery (31%) and costume jewellery (15%).
- Leading European importers are Switzerland, France, United Kingdom, Italy, Germany and Spain. Switzerland, as a trade hub mainly for branded jewellery, has import value of € 6.9 billion in 2014.
- Imports from Developing Countries has decreased in 2010-2014 (-8% in CAGR) as a result of highly competitive environment in Europe with many new European brands entering the market. However, 2014 saw a small increase compared to total imports in 2013.
- China and Thailand are the top two importers of jewellery in Europe, followed by India, Turkey, Lebanon and Malaysia. As labour costs in China are rising, China's share in imports has been going down for more than 5 years, with 30% share and -13% CAGR in 2010-2014. Malaysia, with a share of 3% as a Developing Country supplier, is growing significantly in 2010-2014 (81% in CAGR). Lebanon also emerges with 4% share in 2014 (0.4% in 2013) and 5.7% CAGR (2010-2014), as its jewellery products are renowned for their fashionable design and fine craftsmanship.
- Developing Countries will remain important suppliers in the jewellery industry, especially Developing Countries from Asia. Labour cost is the dominant advantage for Developing Countries, and the rising needs for ethnic (non-traditional or non-classic) designs and increasing number of immigrants in Europe are also driving forces for Developing Countries imports of jewellery.

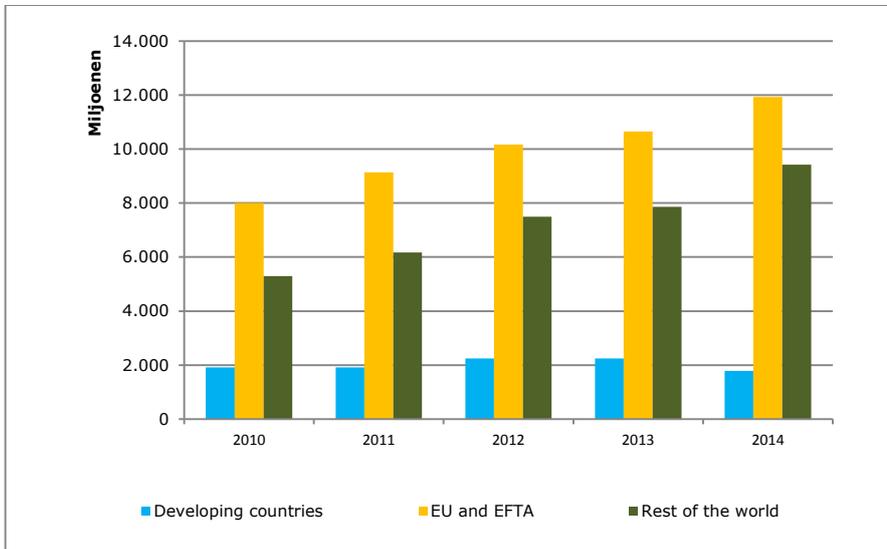
Tips:

- Improve your efficiency and achieve cost advantage to have more competitive price offering to the European market.
- Understand the jewellery fashion trends and competitive landscape in the European market, consider where the potential lies and how to stand out with your product portfolio, to meet potential market needs.
- Work on more appealing designs for not only mainstream consumer groups in Europe but also minorities like immigrants in Europe.

Export

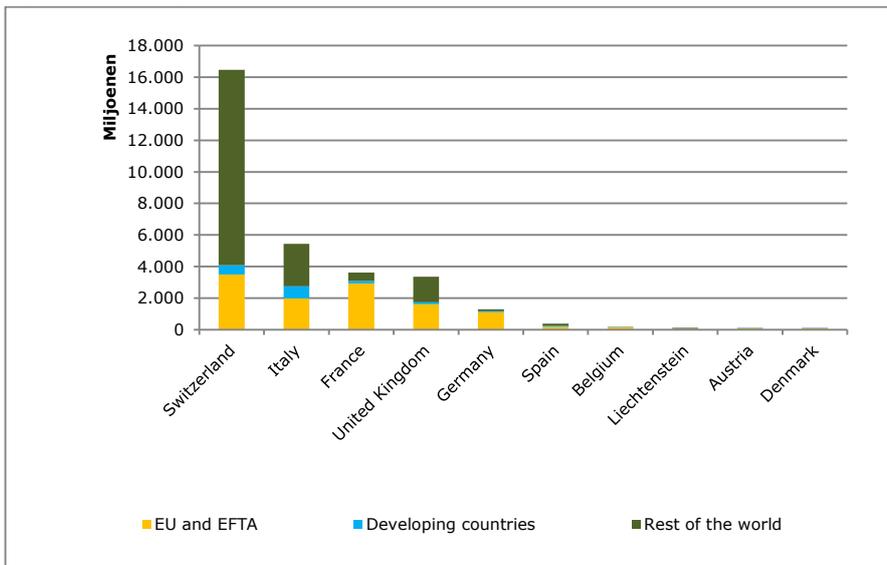
The European export of jewellery has seen a solid growth in the past 5 years and reached an excellent 11.5% year-over-year growth in 2014. Trade hubs present an opportunity for Developing Country exporters.

Figure 7: EU+EFTA exports of jewellery by region, value in € million (2010-2014)



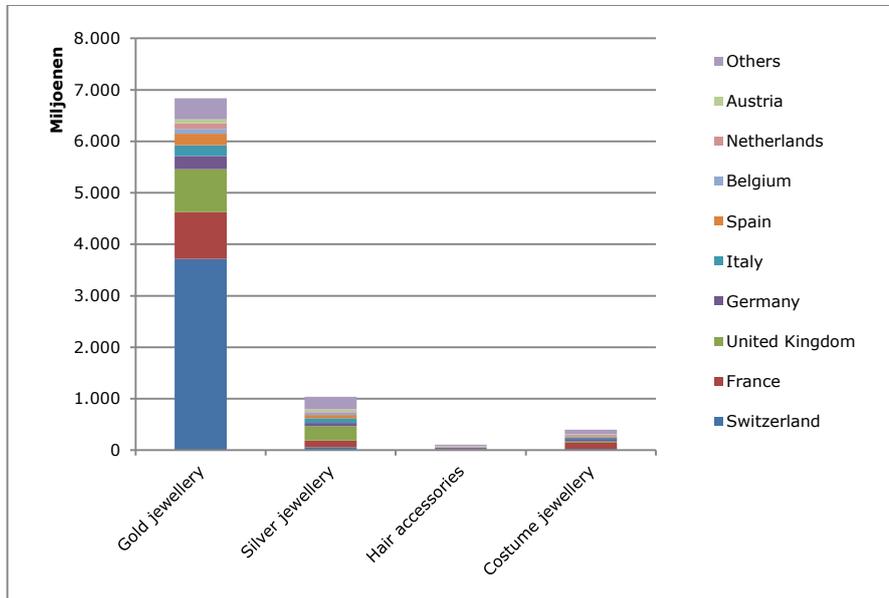
Source: Eurostat (Updated in May, 2015)

Figure 8: Leading exporters of jewellery, 2014, value in € million



Source: Eurostat (Updated in May, 2015)

Figure 9: Main destinations of intra-European exports of jewellery, 2014 value in € million



Source: Eurostat (Updated in May, 2015)

- The European export of jewellery and accessories had a steady growth in the last 5 years (up by 11% CAGR in 2010-2014), with a remarkable 11.5% year-over-year growth in 2014 (after 4% year-over-year in 2013), driven by the solid demand for “Made in Europe” jewellery, especially in the fine jewellery segment. In value terms, gold jewellery is the largest exported jewellery category within Europe, accounting for more than 80% of EU’s export value.
- Switzerland, Italy, France, the UK, and Germany are the leading exporters of jewellery and accessories, while only Italy, France, the UK and Germany are leading producers of jewellery in Europe. This means that Switzerland is an important trade hub.
- Re-exports play an important role in European jewellery export. In terms of intra-European export, key destinations are Switzerland, France, and the UK. Although France has seen decline in jewellery sales, its exports and re-exports of the sector reached a new record high in 2014 (Source: Francéclat).

Tips:

- Approach trade hubs in Europe to target other European countries indirectly, on the basis of a Developing Country exporters’ product portfolio.
- Give appropriate consideration to the costs of re-export (such as customs, insurance and freight charges) to maintain the cost advantage of Developing Country exporters.
- Learn about key success factors of small-scale European jewellery makers whose products are popular when exported to other countries.

Main sources

- Eurostat, URL: <http://epp.eurostat.ec.europa.eu/portal/page/portal/eurostat/home/>
- Eurostat Prodcom, URL: <http://epp.eurostat.ec.europa.eu/portal/page/portal/prodcom/introduction>
- Consulting Firm Bain & Company, URL: <http://www.bain.com>
- German Jewellery and Watches Association, URL: <http://www.bv-schmuck-uhren.de/>
- The Jewellery & Watches Show in London, URL: <http://www.thejewelleryshowlondon.com>

- JCK Online magazine, URL: <http://www.jckonline.com/>
- Comité Francéclat, URL: <http://www.franceclat.fr/>
- Mintel, URL: <http://www.mintel.com/>
- Acotex (Asociación Empresarial del Comercio Textil y Complementos). URL: <http://www.acotex.org>
- IFH (Institut für Handelsforschung). URL: <http://www.ifhkoeln.de/>

More information

CBI market information: Promising EU export markets.

EU Expanding Exports Helpdesk - <http://exporthelp.europa.eu> - go to 'trade statistics'.

Eurostat - <http://epp.eurostat.ec.europa.eu/newxtweb> - statistical database of the EU. Several queries are possible. For trade, choose 'EU27 Trade Since 1995 By CN8'. Use the guide 'Understanding Eurostat: Quick guide to easy comext' (<http://epp.eurostat.ec.europa.eu/newxtweb/setuphelp.do?keepsessionkey=true>) for instructions.

International Trade Statistics - <http://www.trademap.org> - you have to register



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