



Thailand's Jewelry Industry Overview 2017

In 2017, Thailand's jewelry export value held the second place in gem and jewelry category after unwrought or semi-manufactured gold at 3,670.99 million USD, growing by 2.96% from the previous year. This change was in line with the global economy which was showing some signs of modest recovery, including the 24.56% increase of average oil price in 2017 compared to 2016. (However, it was still 50.07% lower than the price in 2013.) Meanwhile, the 4.60% expansion of emerging market economies was another positive factor encouraging consumers to spend more on luxury products like gem and jewelry.

1. Export

Thailand's jewelry export value in 2017 was at 3,670.99 million US dollars, up 2.96% from the previous year as a result from increased export to Hong Kong, Germany, Australia and China, which accounted for a combined share of 44.31% from the overall export, at the value of 1,626.63 million US dollars. China imported Thai jewelry at the highest growth rate of 73.62% since the yuan currency had a slight appreciation of 2.50% when compared to the US dollar. Moreover, Chinese economy grew by over 6%, which was the highest rate compared to other countries in the same region.

Table 1: Thailand's Jewelry Export Value in 2015-2017

Category	Value (million USD)			Share (percent)			Change (percent)	
	2015	2016	2017	2015	2016	2017	16/15	17/16
1. Silver Jewelry	1,585.62	1,559.56	1,789.71	42.88	43.74	48.75	-1.64	14.76
2. Gold Jewelry	1,848.61	1,769.64	1,703.91	50.00	49.63	46.42	-4.27	-3.71
3. Platinum Jewelry	116.34	100.73	78.21	3.15	2.83	2.13	-13.42	-22.36
4. Others	146.85	135.58	99.16	3.97	3.80	2.70	-7.67	-26.86
Jewelry in Total	3,697.42	3,565.51	3,670.99	100.00	100.00	100.00	-3.57	2.96

Source: Customs Department of Thailand, data calculation by the Gem and Jewelry Institute of Thailand (Public Organization)

Silver Jewelry Thailand had once been the world's top exporter of silver jewelry, but now its market share was taken away by India, of which the export value has been increasingly higher than Thailand's. India's market share had soared from 2.43% in 2007 to 38.64% in 2017, while Thailand's market share was now at only 15.68%. In 2017, Thailand's export of silver jewelry grew by 14.76% from the previous year, having the United States and Germany as its main markets.

Table 2: Thailand's Silver Jewelry Export Markets in 2015-2017

Country	Value (million USD)			Share (percent)			Change (percent)	
	2015	2016	2017	2015	2016	2017	16/15	17/16
1. United States	573.39	515.31	505.72	36.16	33.04	28.26	-10.13	-1.86
2. Germany	435.69	426.08	495.34	27.49	27.32	27.68	-2.21	16.26
3. Australia	95.81	104.93	160.74	6.04	6.73	8.98	9.52	53.19
4. China	37.01	66.55	129.52	2.33	4.27	7.24	79.82	94.62
5. Hong Kong	72.22	77.37	114.79	4.55	4.96	6.41	7.13	48.36
6. United Kingdom	51.60	52.01	49.74	3.25	3.33	2.78	0.79	-4.36
7. Russia	33.54	38.82	35.12	2.12	2.49	1.96	15.74	-9.53
8. Japan	24.61	26.81	27.36	1.55	1.72	1.53	8.94	2.05
9. South Korea	16.98	22.73	26.52	1.07	1.46	1.48	33.86	16.67
10. Denmark	22.61	21.96	23.24	1.43	1.41	1.30	-2.87	5.83
Others	222.16	206.99	221.62	14.01	13.27	12.38	-6.83	7.07
Total	1,585.62	1,559.56	1,789.71	100.00	100.00	100.00	-1.64	14.76

Source: Customs Department of Thailand, data calculation by the Gem and Jewelry Institute of Thailand (Public Organization)

Gold Jewelry earned the second highest export value in jewelry category at 1,703.91 million US dollars, accounting for 46.42% of Thailand's jewelry export and decreasing by 3.71% compared to the same period in the previous year. The decline in its export was caused by a rise of gold price at around 4.42%, from 1,221 US dollars per troy ounce in 2016 to 1,275 US dollars per troy ounce in 2017. Moreover, the United Arab Emirates, one of Thailand's major importers, reduced its import from Thailand by as much as 30.31% due to its negative economic landscape. Even though the oil price slightly increased, it was still lower than the average price in 2013 by 50.07%. As a result, the UAE's government implemented various measures; for example the 5% value-added tax for products including gold jewelry. Aiming to generate more revenue for the country, the tax was effective from January 1, 2018 onwards.

Table 3: Thailand's Gold Jewelry Export Markets in 2015-2018

Country	Value (million USD)			Share (percent)			Change (percent)	
	2015	2016	2017	2015	2016	2017	16/15	17/16
1. Hong Kong	540.42	533.06	524.08	29.23	30.12	30.75	-1.36	-1.69
2. United States	389.24	386.41	353.00	21.06	21.84	20.72	-0.73	-8.64
3. United Arab Emirates	170.63	205.38	143.12	9.23	11.61	8.40	20.36	-30.31
4. Switzerland	86.01	95.60	100.95	4.65	5.40	5.92	11.15	5.60
5. United Kingdom	107.36	84.55	75.97	5.81	4.78	4.46	-21.25	-10.15
6. Italy	61.13	55.99	54.18	3.31	3.16	3.18	-8.40	-3.25
7. Japan	74.74	46.66	51.48	4.04	2.64	3.02	-37.57	10.33
8. Germany	46.99	37.93	51.05	2.54	2.14	3.00	-19.27	34.59
9. Australia	33.25	53.92	44.04	1.80	3.05	2.58	62.16	-18.33
10. France	36.53	33.43	40.98	1.98	1.88	2.41	-8.48	22.58
Others	302.31	236.70	265.05	16.35	13.38	15.56	-21.70	11.98
Total	1,848.61	1,769.64	1,703.91	100.00	100.00	100.00	-4.27	-3.71

Source: Customs Department of Thailand, data calculation by the Gem and Jewelry Institute of Thailand (Public Organization)

2. Import

In 2017, Thailand's jewelry import value was the third highest in gem and jewelry category, growing by 22.45% compared to the previous year. Most import value was from gold jewelry at 69.51%, followed by silver jewelry at 21.10%. Jewelry import grew by 22.45%, the highest rate in five years, possibly as a result from the exemption of import duty in jewelry category from 20% to 0%, being effective since January 2017.

Table 4: Thailand's Jewelry Import Value in 2015-2017

Products	Value (million USD)			Share (percent)			Change (percent)	
	2015	2016	2017	2015	2016	2017	16/15	17/16
1. Gold Jewelry	388.75	351.61	437.93	71.69	68.33	69.51	-9.55	24.55
2. Silver Jewelry	63.46	101.43	132.94	11.70	19.72	21.10	59.83	31.07
3. Platinum Jewelry	52.76	23.95	24.06	9.73	4.65	3.82	-54.61	0.47
4. Others	37.31	37.55	35.10	6.88	7.30	5.57	0.65	-6.54
Jewelry in Total	542.28	514.53	630.03	100.00	100.00	100.00	-5.12	22.45

Source: Customs Department of Thailand, data calculation by the Gem and Jewelry Institute of Thailand (Public Organization)

Hong Kong and Italy still maintained their positions as the top importers of Thai jewelry, with a combined share of 18.96% and the average growth of 48.08%. However, the highest value came from the import by Thailand itself at 278.57 million US dollars, resulting from the return of display products in international trade fairs. Meanwhile, Thailand's jewelry import from India grew in double from the import of silver jewelry.

Table 5: Supplying Countries of Thailand's Jewelry Import in 2015-2017

Country	Value (million USD)			Share (percent)			Change (percent)	
	2015	2016	2017	2015	2016	2017	16/15	17/16
1. Thailand	242.80	253.14	278.57	44.78	49.20	44.22	4.26	10.05
2. Hong Kong	57.31	45.21	64.51	10.57	8.79	10.24	-21.12	42.71
3. Italy	37.49	35.82	54.96	6.91	6.95	8.72	-4.46	53.44
4. India	18.08	22.77	42.57	3.33	4.43	6.76	25.93	86.95
5. China	6.40	24.80	26.68	1.18	4.82	4.24	287.3	7.61
6. United States	30.32	24.27	25.35	5.59	4.72	4.02	-19.97	4.47
7. Turkey	8.22	13.05	23.27	1.52	2.54	3.69	58.73	78.33
8. Singapore	26.75	23.01	21.21	4.93	4.47	3.37	-13.96	-7.82
9. France	10.19	7.54	17.71	1.88	1.47	2.81	-26.03	134.85
10. Japan	45.24	24.78	15.78	8.34	4.81	2.50	-45.22	-36.33
Others	59.48	40.15	59.42	10.97	7.80	9.43	-32.49	47.99
Total	542.28	514.53	630.03	100	100	100	-5.12	22.45

Source: Customs Department of Thailand, data calculation by the Gem and Jewelry Institute of Thailand (Public Organization)

3. Competitiveness of Thailand's Jewelry Industry

Regarding the world's overall jewelry export in 2017, leading exporters with the highest value were still India, Switzerland and China, while Thailand was at the 10th in terms of value. Thailand's major export markets were the United States, Hong Kong and Germany. Details of each country's jewelry import are shown below.

The United States

The United States was the largest importer of Thai jewelry in terms of value. According to the Customs Department of Thailand, the United States imported Thai jewelry at the value of 877.06 million US dollars in 2017, dropping by 5.29% from the same period in the previous year. The decline was found in all product items, including gold jewelry, silver jewelry and platinum jewelry.

In 2017, the United States imported 9,089.86 million US dollars of jewelry; 81.84% was gold jewelry and over half of the import was from India, France, China and Italy. Thailand earned 4.83% market share of the United States' gold jewelry import, down 12.44% compared to the same period in the previous year. This was in contrast with the United States' overall gold jewelry import which grew by 7.34%.

Table 6: Supplying Countries of the United States' Gold Jewelry Import in 2015-2017

Country	Value (million USD)			Share (percent)			Change (percent)	
	2015	2016	2017	2015	2016	2017	16/15	17/16
1. India	1,310.48	1,507.79	1,433.47	22.82	21.76	19.27	15.06	-4.93
2. France	650.00	803.92	869.63	11.32	11.60	11.69	23.68	8.17
3. China	804.06	854.42	861.61	14.00	12.33	11.58	6.26	0.84
4. Italy	486.46	654.40	831.98	8.46	9.44	11.18	34.52	27.14
5. Hong Kong	232.66	529.22	507.40	4.05	7.63	6.83	127.46	-4.12
6. Thailand	313.93	410.14	359.12	5.47	5.92	4.83	30.65	-12.44
Others	1,946.03	2,170.34	2,575.47	33.88	31.32	34.62	11.53	18.67
Total	5,743.63	6,930.24	7,438.69	100.00	100.00	100.00	20.66	7.34

Source: Global Trade Atlas, data calculation by the Gem and Jewelry Institute of Thailand (Public Organization)

Silver jewelry was the top product which the United States imported from Thailand, accounting for 30.76% or 499.76 million US dollars in terms of value, decreasing by 41.96% from the previous year. This was in line with the United States' overall import which declined by 19.38%.

Table 7: Supplying Countries of the United States' Silver Jewelry Import in 2015-2017

Country	Value (million USD)			Share (percent)			Change (percent)	
	2015	2016	2017	2015	2016	2017	16/15	17/16
1. Thailand	959.77	860.99	499.76	44.27	42.72	30.76	-10.29	-41.96
2. India	344.69	320.47	342.81	15.90	15.90	21.10	-7.03	6.97
3. China	422.51	374.54	324.03	19.49	18.58	19.94	-11.35	-13.49
4. Italy	147.51	150.10	153.44	6.81	7.45	9.44	1.75	2.23
5. Israel	27.03	27.07	39.63	1.25	1.34	2.44	0.15	46.37
Others	266.12	282.35	265.17	12.28	14.01	16.32	6.10	-6.09
Total	2,167.64	2,015.53	1,624.83	100.00	100.00	100.00	-7.02	-19.38

Source: Global Trade Atlas, data calculation by the Gem and Jewelry Institute of Thailand (Public Organization)

Hong Kong

Hong Kong is the world's largest jewelry importer after surpassing the United States since 2011. In 2017, Hong Kong imported 12,138.46 million US dollars of jewelry, slightly increasing by 6.80% from the previous year; 50.72% was from China and India combined. Products imported from China was mostly gold jewelry, which accounted for 91.51% at 2,829.19 million US dollars, while products from India was mostly silver jewelry, which accounted for 62.49% at 1,915.35 million US dollars. Thailand held the 13th place among Hong Kong's supplying countries of gold jewelry. Its exports of gold jewelry and silver jewelry were at 101.61 million US dollars and 81.60 million US dollars respectively.

Table 8: Supplying Countries of Hong Kong' Gold Jewelry Import in 2015-2017

Country	Value (million USD)			Share (percent)			Change (percent)	
	2015	2016	2017	2015	2016	2017	16/15	17/16
1. China	2,879.74	2,718.05	2,829.19	31.22	29.75	29.59	-5.61	4.09
2. India	1,001.45	1,144.35	1,149.49	10.86	12.53	12.02	14.27	0.45
3. The United States	1,047.06	1,000.85	1,012.87	11.35	10.95	10.59	-4.41	1.20
4. France	907.80	958.63	973.74	9.85	10.49	10.18	5.60	1.58
5. Italy	853.21	853.23	901.19	9.25	9.34	9.43	0.00	5.62
13. Thailand	97.87	74.88	101.61	1.06	0.82	1.06	-23.49	35.69
Others	2,436.02	2,386.46	2,594.02	26.41	26.12	27.13	-2.03	8.70
Total	9,223.15	9,136.46	9,562.12	100.00	100.00	100.00	-0.94	4.66

Source: Global Trade Atlas, data calculation by the Gem and Jewelry Institute of Thailand (Public Organization)

Hong Kong was the world's largest silver jewelry importer with the import value of 2,567.49 million US dollars, 74.60% of which was import from India. Thailand held the fourth place, accounting for 3.18% of Hong Kong's overall silver jewelry import, increasing by 75.42% from the previous year.

Table 9: Supplying Countries of Hong Kong' Silver Jewelry Import in 2015-2017

Country	Value (million USD)			Share (percent)			Change (percent)	
	2015	2016	2017	2015	2016	2017	16/15	17/16
1. India	1,132.99	1,696.70	1,915.35	68.46	76.65	74.60	49.75	12.89
2. China	365.80	312.54	257.46	22.10	14.12	10.03	-14.56	-17.62
3. United Arab Emirates	9.71	31.90	133.31	0.59	1.44	5.19	228.60	317.94
4. Thailand	33.73	46.51	81.60	2.04	2.10	3.18	37.91	75.42
5. United States	42.50	49.65	72.51	2.57	2.24	2.82	16.80	46.05
Others	70.23	76.27	107.26	4.24	3.45	4.18	8.60	40.63
Total	1,654.97	2,213.57	2,567.49	100.00	100.00	100.00	33.75	15.99

Source: Global Trade Atlas, data calculation by the Gem and Jewelry Institute of Thailand (Public Organization)

Germany

Germany is the world's ninth largest importer of jewelry and serves as the distribution center for other countries in the European Union due to its location at the center of the continent and its effective transportation system. In 2017, Germany imported 1,589.22 million US dollars of jewelry in total, up 9.03% from the previous year. This consisted of gold jewelry at 54.32% and silver jewelry at 45.66%. Germany's import of gold jewelry was mainly supplied by Switzerland and France. Thailand was the fifth largest supplier, accounting for 9.56%, decreasing by 6.75% compared to the same period in the previous year.

Table 10: Supplying Countries of Germany's Gold Jewelry Import in 2015-2017

Country	Value (million USD)			Share (percent)			Change (percent)	
	2015	2016	2017	2015	2016	2017	16/15	17/16
1. Switzerland	234.64	185.67	200.83	29.24	23.21	23.26	-20.87	8.16
2. France	132.39	147.61	151.34	16.50	18.45	17.53	11.49	2.53
3. Italy	81.27	78.56	90.69	10.13	9.82	10.51	-3.33	15.43
4. Turkey	35.99	50.44	89.76	4.49	6.31	10.40	40.15	77.96
5. Thailand	82.57	88.53	82.55	10.29	11.07	9.56	7.21	-6.75
Others	235.47	249.05	248.09	29.35	31.14	28.74	5.77	-0.39
Total	802.34	799.86	863.26	100.00	100.00	100.00	-0.31	7.93

Source: Global Trade Atlas, data calculation by the Gem and Jewelry Institute of Thailand (Public Organization)

Thailand was still Germany's most important supplying country for silver jewelry products, accounting for 77.42% at 561.67 million US dollars, up 12.34% compared to the previous year. This was in line with a 10.41% increase in Germany's overall silver jewelry import. Other competitors still followed far behind in terms of import value.

Table 11: Supplying Countries of Germany's Silver Jewelry Import in 2015-2017

Country	Value (million USD)			Share (percent)			Change (percent)	
	2015	2016	2017	2015	2016	2017	16/15	17/16
1. Thailand	509.94	499.95	561.67	75.37	76.08	77.42	-1.96	12.34
2. China	66.21	60.31	55.73	9.79	9.18	7.68	-8.91	-7.60
3. India	21.51	20.33	20.74	3.18	3.09	2.86	-5.50	2.04
4. Italy	15.61	14.95	15.04	2.31	2.28	2.07	-4.20	0.63
5. United States	10.68	10.57	11.37	1.58	1.61	1.57	-1.06	7.59
Others	52.60	51.01	60.95	7.77	7.76	8.40	-3.01	19.49
Total	676.54	657.12	725.50	100.00	100.00	100.00	-2.87	10.41

Source: Global Trade Atlas, data calculation by the Gem and Jewelry Institute of Thailand (Public Organization)

4. Opportunities/Challenges of Thailand's Jewelry Industry

In 2018, the global economy is recovering steadily, including the United States, the Eurozone countries and Asian economies like Japan, which is now growing at the highest rate in years. This is a factor which encourages consumers' spending and has positive effects on Thailand's jewelry export. However, 2018 is also a year of challenge for Thai jewelry export since top importers of gold and gold jewelry from Thailand and other supplying countries have implemented new measures which have negative effects on Thailand's export both directly and indirectly. For example, the United Arab Emirates has imposed 5% value-added tax, starting from January 1, 2018, which results in a dramatic drop of 77.77% in its gold jewelry import from January to February 2018, compared to the same period in the previous year. On the other hand, India is considering reducing its import duty on gold, which is now at the high rate of 10%. The new rate still has not been decided, but this will lower the manufacturing cost in India and increase its price competitiveness in the global market. Therefore, it is one of the issues that should be closely watched in the near future.

Gem and Jewelry Information Center
 The Gem and Jewelry Institute of Thailand (Public Organization)
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