

Data and Profiles - China Consumer Profiles

China's Jewellery Market

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📄 HKTDC Research

I. Market overview

China's jewellery market continues to develop steadily in spite of the *Covid-19* pandemic. According to the *2022 China Jewellery Trade Development Report*, released by the *Gems and Jewelry Trade Association of China*, China's jewellery market was valued at about RMB719 billion in 2022, basically on a par with the 2021 level. As more young consumers become financially independent and pursue personalisation and a better quality of life, jewellery of fashionable design showing individuality should see promising market prospects.

Jewellery in the Chinese market can be divided into three main categories: metal, precious stones and others.

- **Metal jewellery:** This can be further divided into:
 - *Precious metal jewellery.* Jewellery made from the more expensive precious metals. Common examples are platinum, gold, silver and alloy (carat gold) jewellery.
 - *Non-precious metal jewellery.* Jewellery made from non-precious metals costs less than that made from precious metals. Typically, this kind of jewellery is made from copper and aluminium.
 - *Imitation precious metal jewellery.* This refers to jewellery made from materials that bear a close resemblance to precious metals. This jewellery does not contain precious metals, but it has become popular because it offers colour fastness, lower price and a high decorative value.
 - *Thin film jewellery.* This kind of jewellery is created using special techniques to bond a layer of precious metal firmly to the surface of another, cheaper material. Examples include gold-plated, gold-gilded and forged gold jewellery.
- **Precious stones jewellery:** Precious stones are made into ornaments using a variety of processes, including grinding, carving, inlaying and stringing. Thanks to its aesthetics and innate elegance, precious stones jewellery is becoming increasingly popular. Common precious stones include diamonds, rubies, sapphires, crystal, jade, pearls, amber and topaz.
- **Other jewellery:** Jewellery made from materials other than metals and precious stones. This includes materials such as clay, wood, string, leather and ivory.

Platinum jewellery: South Africa has the world's largest reserves of platinum while China has relatively low platinum reserves and is dependent mainly on imports. Nevertheless, China is one of the world's largest consumer markets for platinum jewellery. The investment value of platinum is weak and new types of gold jewellery such as 3D hard gold and old-method gold are gaining in popularity, so it is inevitable that the platinum jewellery market has been affected. However, branded platinum jewellery is still popular with consumers as retailers keep launching new platinum items featuring innovative technology and modern designs. In 2021, China's platinum and silver jewellery market was valued at about RMB10 billion.

Gold jewellery: Gold jewellery is very popular in China. According to *Statista*, gold accounted for 58.3% of all types of jewellery sold. Figures released by the *Gems & Jewelry Trade Association of China* showed that China's gold jewellery market in 2021 was worth RMB420 billion, up 23.5% year-on-year, while gold jewellery consumption in 2021 was 45% larger than in 2020, representing a 5.2% increase over the pre-*Covid* year of 2019.

Diamond jewellery: China now has the world's second largest consumer market for diamonds. According to mainland industry research website *huaon.com*, China's total retail sales of diamonds in 2021 climbed 25.1% from the previous year to reach RMB100.1 billion. China's diamonds are mainly imported, and the volume of imports in 2021 amounted to US\$9.89 billion, up 66.5% year-on-year. China's low tariff on diamonds (0-4%) is very attractive to businesses. Shenzhen is the centre for diamond production and wholesaling on the mainland, and there are some 30 jewellery malls and wholesale markets around the city. In particular, the diamond jewellery OEM centre for Hong Kong that was Shuibei in Luohu District, Shenzhen has now been transformed into an independent production base.

Value of Different Jewellery Markets in 2022

Jewellery	Market Value (RMB billion)	Market Share
Gold	410	57%
Jade	147	21%
Diamond	82	11%
Coloured gems	28	4%

Pearl	24	3%
Platinum & Silver	9	1%
Fashion Jewellery & Others	19	3%

Source: 2022 China Jewellery Trade Development Report

Made-to-order jewellery: With smart manufacturing, “smart bespoke jewellery” is now a reality. It allows retailers to keep minimum inventory and commence production only after getting a deposit. Labour costs are reduced because a smart factory can connect with retail outlets via the internet and provide bespoke jewellery services at designated locations. Customers can order unique jewellery pieces through mobile devices to make the process even more convenient.

Weddings: Weddings are the main market for jewellery sales in China and account for about 50% of mainland sales of consumer jewellery. According to *iiMedia Research* figures, 89.5% of consumers in the country purchased jewellery for their weddings in 2021, with the majority buying rings (77.5%) and necklaces (75.5%). In 2022, 6.83 million couples got married in China (5.2%), with the number of weddings falling for nine consecutive years. As jewellery is an essential part of traditional Chinese weddings, this is bound to have an impact on the wedding jewellery market.

Festivals: Jewellery sales on the mainland are very much influenced by festivals and anniversaries. Many people buy jewellery as a gift to celebrate birthdays and festivals such as the Lunar New Year and Valentine’s Day. Shopping malls also organise promotional activities around these festivals.

Jewellery rental : The market for jewellery rental is still under development. Surveys show that some users like to rent, use and return jewellery instead of purchasing. They save money, indulge their fantasies, and can change jewellery to match every occasion. The jewellery rental market has given rise to a large number of online rental platforms, such as *sharevip.ltd*.

The men’s market: Men tend to buy traditional jewellery items such as rings, as well as tie clips, cufflinks and belt buckles. They mainly buy for personal use, as an investment or for a collection, according to a research report on market confidence and trends. Compared to the sharp increase in demand for jewellery overall, the growth of male jewellery sales on the mainland is relatively slow. To increase sales, companies could offer more innovative product designs, cultural references, point-of-sale promotions and advertising.

The junior market: The Chinese traditionally give longevity locks, bracelets and necklaces to children as goodwill tokens and to wish them a healthy and happy life. Gold jewellery that can be worn and that also has intrinsic inflation-proof value is appreciated by parents looking at managing their finances. With the implementation of China’s ‘three-child policy’, demand in the junior market is expected to grow. Nevertheless, when compared with the adult jewellery sector, where new styles are launched on a regular basis, the children’s jewellery market is less active. It also receives less promotional support than adult jewellery.

The senior market: The elderly put a higher priority on jewellery, which is both inflation-proof and has sentimental value. According to industry sources, this age group’s spend on jewellery is no longer restricted to the four main traditional items – gold rings, gold bracelets, gold earrings and gold necklaces. There is now a growing preference for jade, ruby and sapphire jewellery.

China’s 2022 jewellery imports breakdown:

HS Code	Description	2022 (US\$ million)	2021/22 Change (%)
7101	Pearls, natural or cultured, not strung, mounted or set, or temporarily strung for convenience of transport	72.7	21.8
7102	Diamonds, whether or not worked, but not mounted or set	8,476.1	-14.3
71023100	Diamonds, non-industrial, unworked or simply sawn, cleaved or bruted	396.8	-21.6
71023900	Diamonds, other non-industrial	8,073.5	-13.9
7103	Precious stones (other than diamonds) and semi-precious stones, not strung, mounted or set; ungraded, temporarily strung for convenience of transport	4,582.3	202.3
7104	Synthetic or reconstructed precious or semi-precious stones, whether or not worked or graded but not strung, mounted or set; ungraded synthetic or reconstructed precious or semi-precious stones, temporarily strung for convenience of transport	199.8	12.8
7105	Dust and powder of natural or synthetic precious or semi-precious stones	18.0	-19.8
7106	Silver (including silver plated with gold or platinum), unwrought or in semi-manufactured forms, or in powder form	1,111.7	-34.8
7107	Base metals clad with silver	19.2	32.4
7110	Platinum, unwrought or in semi-manufactured forms, or in powder form	7,654.9	-23.6
71101100	Platinum, unwrought or in powder form	2,132.0	-31.6
71103100	Rhodium, unwrought or in powder form	2,822.0	-29.5

7111	Base metals, silver or gold, clad with platinum	15.5	-11.6
7113	Articles of jewellery and parts thereof, of precious metal or of metal clad with precious metal	4,235.7	-26.1
7114	Articles of goldsmiths' or silversmiths' wares and parts thereof, of precious metal or of metal clad with precious metal	15.2	9.3

Source: *Global Trade Atlas*

II. Market Competition

The majority of jewellery processing enterprises on the mainland are located in Guangdong, Shandong, Shanghai, Fujian and Zhejiang. Guangdong is the country's main location for jewellery production, while Shenzhen and Panyu are the leading centres for jewellery processing.

Work on the construction of a national innovation and R&D centre for the jewellery industry started in Panyu, Guangzhou in April 2022. The centre, housing a 3D printing centre, a live-streaming base, a training institute and a trading centre, will help establish Panyu as a national hub for the jewellery industry. Over 30 entities had expressed an interest to move in by March 2023.

Shunde in Foshan also plans to build a RMB100 billion-class Greater Bay Area gold and jewellery innovation eco-city and has persuaded 28 major companies in this industry to sign up. The project has jewellery, smart manufacturing and digital economy as its three major directions.

According to mainland jewellery industry studies, 20 key locations, including Xiangcheng in Jiangsu, Panyu and Luohu in Guangdong, and Zhuji in Zhejiang, have earned themselves the label of "China's Precious Stones Jewellery Specialised Industrial Base". Among them, Shenzhen accounts for 70% of China's total jewellery production and sales.

The township of Shanxiahui in Zhuji, known as the "Pearl Capital of China", is the nation's largest freshwater pearl processing and trading centre, accounting for some 80% of China's annual freshwater pearl yields and 73% of the world total. The village of Xinchangle, often called "pearl village", has its own team of e-commerce professionals. Its total online sales turnover in 2022 exceeded RMB4 billion.

Foreign companies dominate the mainland high-end jewellery market with their long-established brands and superb designs. Hong Kong brands with a presence in the mainland mainly target high-income earners in the medium to high end of the market and implement multiple brand strategies to target different consumer market segments. Mainland brands primarily target young people. At present, famous brands only account for 15% of China's jewellery market, so mainland brands have huge room for development.

Jewellery brands have been developing in leaps and bounds and have been making forays into second and third-tier cities. In the next few years, these brands will look to franchising to help them expand into second, third and fourth-tier cities. As franchisees, they can take advantage of the local resources to rapidly access sales channels.

The number of brand name stores has reached saturation in first and second-tier cities, but the density of famous national brands stores remains low in third and fourth-tier cities, suggesting there is more room to open new stores. There are many stores of domestic and Hong Kong-funded companies on the mainland. Stores of mainland brands tend to be scattered in distribution and chain stores only account for a small percentage. Most Hong Kong-funded companies are chain-operated. Foreign companies do not need many stores because their brands are already well-recognised.

Live-streaming at relatively low cost has become increasingly popular in recent years. This type of marketing, which may be quite entertaining, not only helps reduce cost but can attract a large following.

Surveys conducted by the *World Gold Council* found that female consumers in first-tier cities prefer buying diamond or platinum jewellery to gold jewellery, while female consumers in other cities opt for high purity gold jewellery because of its investment value. On strategies for attracting young consumers, retailers may consider brand rejuvenation by improving their brand image and means of sales promotion.

III. Sales Channels

Retail and wholesale channels for mainland jewellery can be divided into the following categories: jewellery counters at shopping malls, specialty stores and experience stores. Leading brands mostly set up their own stores in first and second-tier cities. However, as the market saturates, industry players have begun to expand their business by adopting the franchise model.

Over the past few years, China's jewellery brands have increasingly moved into e-commerce. The success of its 'website + experience store' concept, for instance, has seen *zbird.com* expand swiftly on the mainland. *Chow Tai Fook* and *Chow Sang Sang* have their own B2C platforms. Many see the O2O model as the way forward for jewellery companies. *Chow Tai Fook* is an example: when the pandemic first struck, its staff launched a *WeChat* group boasting 10,000-plus customers. Through the provision of exclusive services, the company is said to have grown its repurchase rate from 20% to 50%.

Live-streaming jewellery sales have grown steadily in recent years and look set to become a new sales channel. According to the *2022 China Jewellery Trade Development Report*, the total value of online jewellery sales jumped 27% year-on-year to RMB235 billion in 2022. Compared with gold and diamond, jewellery such as silver, pearl and jadeite tend to perform better in live-streaming because of their price and appeal. Many retailers therefore focus on silver and the like in online sales. According to a *2022 insight report on the social value of short videos and live-streaming* published in the January 2023 issue of *China Consumers Association Magazine*, over 25% of respondents said they would place orders for jewellery through short video and live-streaming channels.

Live-streaming e-commerce is driving jewellery sales on the mainland and also creating a proliferation of jewellery shopping agents (“*daigou*”) overseas. Overseas jewellery can be classified into end-products and rough-stone products. Live-streaming jewellery products sales are usually carried out in mature markets (such as Hong Kong) where an online host displays and describes the products live, while accepting online orders directly from mainland consumers.

Sales of rough-stone jewellery pieces usually take place in developing markets with rich ore resources (such as Sri Lanka). Chinese merchants are attracted by the prices there which are more competitive than those on the mainland.

For many, trade fairs in China offer the most effective means of getting the latest information on the jewellery sector in China and beyond, as well as being ideal for meeting dealers.

Selected mainland jewellery fairs scheduled for the latter part of 2023 include:

Date	Exhibition	Venue
24-27 August 2023	Shanghai International Jewelry Fair	Shanghai World Expo Exhibition and Convention Center
7-11 September 2023	Shenzhen International Jewelry Fair	Shenzhen Convention & Exhibition Center
26-30 October 2023	China International Jewellery Fair	China International Exhibition Centre, Beijing
7-11 December 2023	Hainan International Jewelry Fair	Hainan International Convention & Exhibition Center

Note: Please refer to official information from organisers for exhibition details.

IV. Import and Trade Regulations

2023 import tariffs of jewellery items:

HS Code	Description	%
7101	Pearls, natural or cultured, whether or not worked or graded but not strung, mounted or set; pearls, natural or cultured, temporarily strung for convenience of transport	0-21
7102	Diamonds, whether or not worked, but not mounted or set	0-4
7103	Precious stones (other than diamonds) and semi-precious stones, whether or not worked or graded but not strung, mounted or set; ungraded precious stones (other than diamonds) and semi-precious stones, temporarily strung for convenience of transport	3, 4
7104	Synthetic or reconstructed precious or semi-precious stones, whether or not worked or graded but not strung, mounted or set; ungraded synthetic or reconstructed precious or semi-precious stones, temporarily strung for convenience of transport	0, 4
7105	Dust and powder of natural or synthetic precious or semi-precious stones	0
7106	Silver (including silver plated with gold or platinum), unwrought or in semi-manufactured forms, or in powder form	0
7107	Base metals clad with silver	8
7108	Gold (including gold plated with platinum) unwrought or in semi-manufactured forms, or in powder form	0
7109	Base metals or silver, clad with gold, not further worked than semi-manufactured	8
7110	Platinum, unwrought or in semi-manufactured forms, or in powder form	0, 3
7111	Base metals, silver or gold, clad with platinum, not further worked than semi-manufactured	3
7112	Waste and scrap of precious metal or of metal clad with precious metal; other waste and scrap containing precious metal or precious metal compounds, of a kind used principally for the recovery of precious metal	0-8
7113	Articles of jewellery and parts thereof, of precious metal, or of metal clad with precious metal	8,10
7114	Articles of goldsmiths' or silversmiths' wares and parts thereof, of precious metal or of metal clad with precious metal	10
7115	Other articles of precious metal or of metal clad with precious metal	0-10
7116	Articles of natural or cultured pearls, precious or semi-precious stones (natural, synthetic or reconstructed)	10

Source: *China Customs* website

A consumption tax of 5-10% is levied on all jewellery sold in China.

The *Shanghai Diamond Exchange* is China's only legal channel for the import and export of diamonds for general trading, as well as for the domestic sale of rough diamonds transferred-out in the course of the processing trade. For details of its import and export policies, customs supervision policies, tax policies and foreign exchange management policies, see [Shanghai Diamond Exchange website](#). In June 2023, the

Shanghai Diamond Exchange joined hands with a technology company to build a cloud-network for diamond transactions in a bid to upgrade the digitalisation of the industry chain.

China's diamond exchange platform *RapNetBuy*, which went online in July 2022, serves as a safe, open and transparent diamond trading platform. The platform, which aims to combat diamond smuggling, pledges that only diamonds with *Shanghai Diamond Exchange* customs declaration information and customs traceable source code can be traded on the platform. Jewellery traders can check the diamond electronic traceable source code via *RapNetBuy* to identify the legal import/export channel of the diamonds, and can also source diamond inspection services from the platform.

The [GB/T 34098-2017 Quartzose Jade – Classification and Nomenclature](#) has been in force since 1 February 2018. This standard classifies quartzose jade into three major categories and seven varieties and gives the definitions for the basic name, trade name and other technical terms of quartzose jade.

Five national standards on jewellery came into force on 1 May 2018. The [GB/T 16552-2017 Gems: Nomenclature](#), the [GB/T 16553-2017 Gems: Testing](#), and the [GB/T 16554-2017 Diamond Grading](#) superseded the earlier 2010 versions; the [GB/T 34543-2017 Yellow Diamond Grading](#) is China's first grading standard for coloured diamonds and sets detailed rules for yellow diamonds on the levels of scope, terminology, definition, grading, and so on; while the [GB/T 34545-2017 Emerald Grading](#), a new standard for the grading of coloured gemstones, mainly uses colour, purity, quality, cut and lustre as testing standards.

The [Technical Policy on Pollution Prevention and Control in the Gold Industry](#) (Chinese version only) came into effect on 15 January 2020. The document outlines a complete set of standards that covers processes from mining to smelting, as well as standards and technologies for preventing atmospheric, water, solid waste and noise pollution. *The Ministry of Industry and Information Technology* and the *Ministry of Ecology and Environment* jointly released an [action plan for developing an environmental equipment manufacturing industry \(2022-2025\)](#) on 13 January 2022, encouraging industries to use environmental equipment in treating industrial waste to minimise environmental pollution.

[GB/T 38821-2020: Hetian Yu – Testing and Classification](#) sets out the definitions and testing methods for different types of Hetian jade. The national standard came into effect on 1 December 2020.

[GB/T 11888-2021: Jewellery: Ring-size – Definition, Measurement and Designation](#) sets out standards for making rings. The national standard came into effect on 11 October 2021.

The *State Administration for Market Regulation* put into force the [Administrative Measures for Live-streaming Marketing \(for Trial Implementation\)](#) on 25 May 2021, requiring all live-streaming platforms to complete record-filing procedures and conduct safety appraisal in accordance with laws and regulations. The legislation defines the responsibilities of the live-streaming room operator and the presenter and sets age and behavioural restrictions. Specific requirements are also set for relevant advertising, online and offline live-streaming venues, verification of product and service information, use of virtual avatars and so on.

The *National Radio and Television Administration* and the *Ministry of Culture and Tourism* issued a code of conduct for online presenters on 22 June 2022 to regulate illegal behaviours in live-streaming and better protect consumer interest.

[GB/T 42221-2022: Jewellery: Consumer Confidence in the Diamond Industry](#) specifies a set of permitted descriptors for the diamond industry as in ISO 18323: 2015. [GB/T 42220-2022: Appraisal for Precious Metal Besetting Jades Process Quality](#) stipulates the terminology and definition, craft classification, technological requirements and evaluation methods of gold inlay and jade inlaid technology. These two standards took effect on 1 July 2023.

Five more national standards will come into force on 1 December 2023 to provide principles for the appraisal of different types of jewellery. They include [GB/T 42437-2023 Nanhong – Testing](#), [GB/T 18781-2023: Cultured Pearl Grading](#), [GB/T 42645-2023: Gems Testing - Ultraviolet-Visible Absorption Spectroscopy](#), and [GB/T 42433-2023: Gems Testing – Infrared Spectroscopy Method](#). [GB/T 42438-2023: Service Specification for Gems and Jade Traceability System](#) specifies the service requirements, content and processes, as well as supervision, evaluation and improvement of the service for the gems and jade traceability system.

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