



# **Research and Development Forecast of China's Jewelry Industry, 2013-2017**

**(Sample)**

Huidian Research

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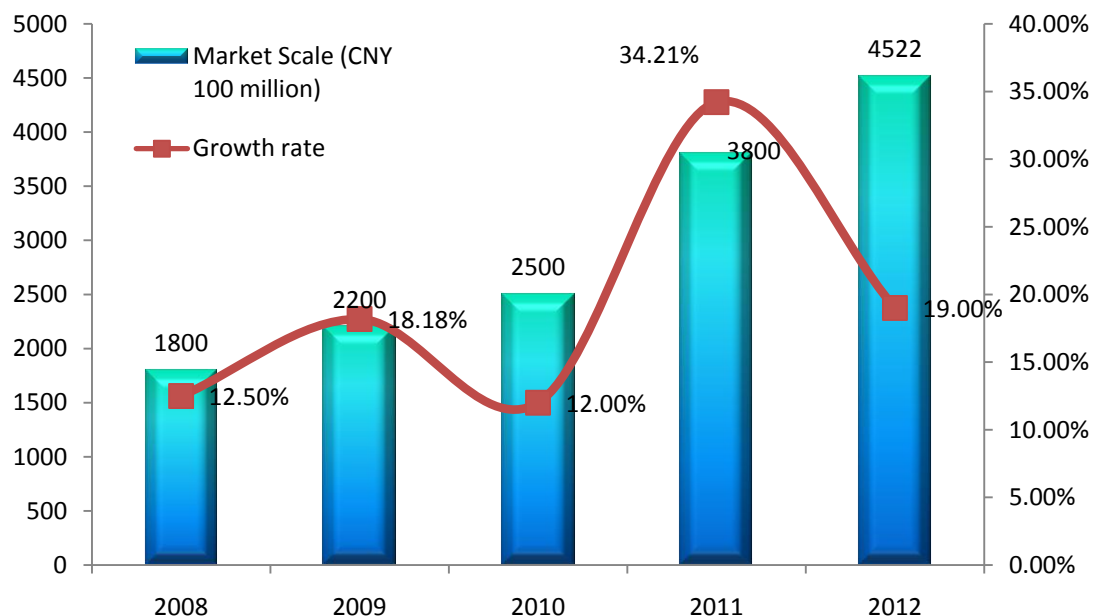
## 4. Market Analysis of China's Jewelry

### 4.2 Sales of China's Jewelry

After three decades of rapid development, the jewelry market has formed a considerable scale. Since the early 1990s, the total domestic sales revenue of jewelry has been growing at not less than double-digit; in 2011, the total sales revenue of jewelry industry was CNY 380 billion in China, representing an increase of 40% over 2010.

Under the impact of the international financial crisis and the downward pressure from the domestic economy, in 2012, the growth of China's jewelry industry slowed down, but still maintained a good development trend. The total sales revenue of jewelry retail market was over CNY 400 billion, showing a slight increase over last year.

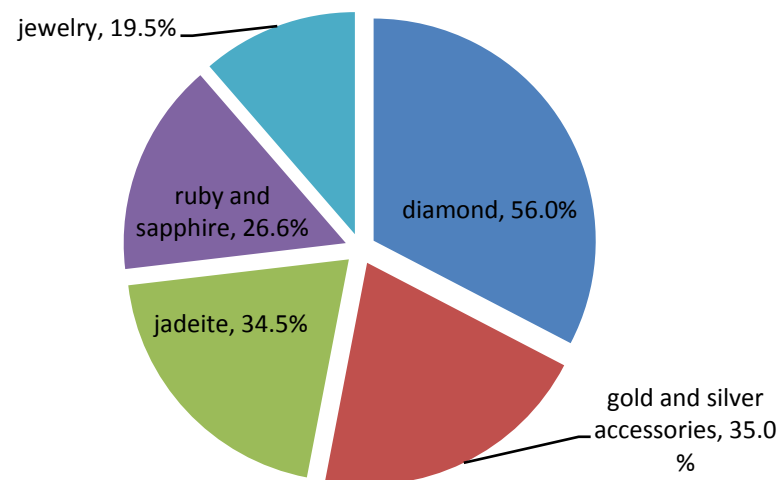
**Fig.7 Market Scale and Growth Rate of China's Jewelry, 2008-2012**



Source: [www.cczb.cn](http://www.cczb.cn); Huidian Research

## 7. China's Jewelry Market Segments

According to the statistics, 56% of the jewelry companies in China take diamond as the featured product, the proportion of gold and silver jewelry and jadeite is 35% and 34.5% respectively, the proportion of ruby and sapphire is 26.6%; and only 19.5% of the jewelry companies take pearl as the featured product.

**Fig. 14 China's Jewelry Market Segments**

Source: [www.cczb.cn](http://www.cczb.cn); Huidian Research

At present, domestic high-end market is mainly occupied by Tiffany, Cartier and other world's top brands. As for the medium-end market which occupies main market share, the competition is fierce; the major competitors are CHOW TAI FOOK, Chow Sang Sang, TSL JEWELLERY, Lukfook Jewellery in Hong Kong and domestic brands, such as LAO FENG XIANG, Laomiao, Yayi, CHJ, and MING. As for the sales category, the main products in high-end market are inlaid jewelry and diamond jewelry with high profit margin, while the main products in medium-end market are gold and platinum jewelry with relatively lower profit margin.

**Tab. 15 Operation Situation of China's Gold, Platinum and Diamond Inlaid Jewelry Brands**

	High-end Brands	Medium and High-end Brands	Medium-end Brands
Brands	Tiffany, Cartier, Van Cleef & Arpels	CHOW TAI FOOK, Chow Sang Sang	LAO FENG XIANG, Laomiao, Yayi, CHJ
Proportion of inlaid and diamond jewelry	High	Medium	Low
Proportion of gold and platinum jewelry	Low	Medium	High
Sales cost	High	Medium	Low
Inventory turnover ratio	Low	Medium	High
Gross profit rate	High	Medium	Low
Net profit rate	High	Medium	Low

Source: Huidian Research

In China's pearl industry, disordered competition and differentiation between low-end and high-end are obvious. The entry threshold of primary pearl processing industry is relatively low. Some pearl processing enterprises have poor product up-gradation, backward production capacity and insufficient output value.

As for the superior enterprises, the pearl cultivation, processing and sales enterprises at home and abroad divide up most of the market. In the finish machining and sales market, the following enterprises have relatively high market positions: Pure Pearl Group Co., Ltd., MIKIMOTO (a transnational corporation in Japan), and Zhejiang Grace Pearl Jewelry Co., Ltd., Heren Pearl, and Suzhou Mingrun Pearl Jewelry Co., Ltd.

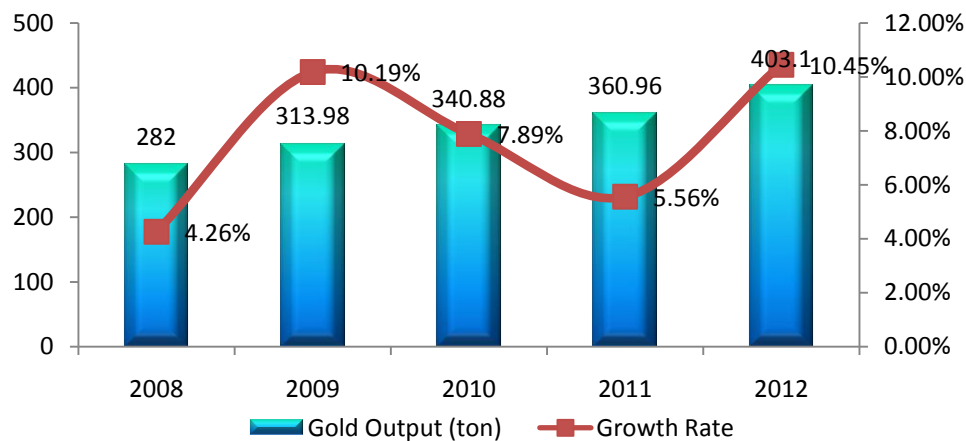
The large-scale pearl cultivation enterprises include Dongting Pearl Co., Ltd. and Zhejiang Dongfang Shenzhou Jewelry Co., Ltd. In the pearl cultivation, processing and sales market, various enterprises operate in their own ways, and they seize the market share fiercely.

In China's pearl industry, the supply of medium and high-end products is insufficient; the pearl jewelry consumption is relatively low compares with gold and diamond jewelry. At present, the pearls cultivated in China are mainly used to meet the domestic demands. The large-scale enterprises should increase the cultivation investment so as to meet China's demand for high-end raw materials.

## **7.1 Gold Jewelry**

### **7.1.2 Supply and Demand Situation of Gold**

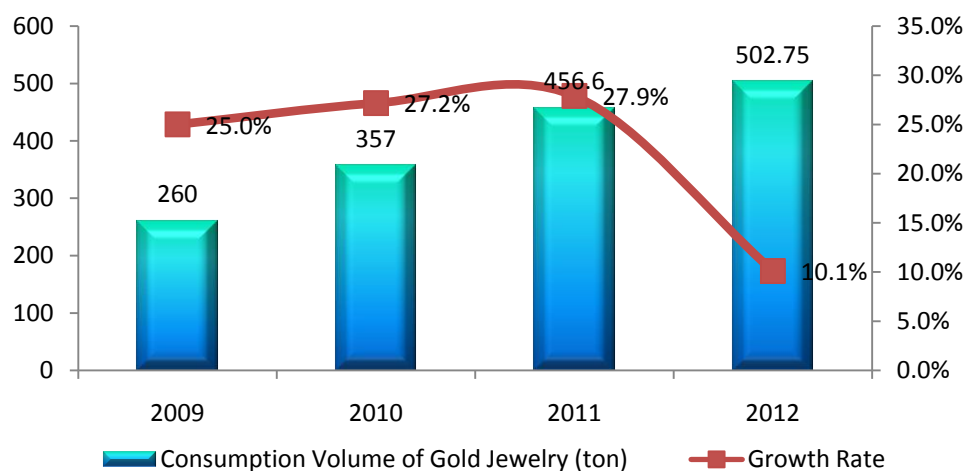
In 2012, China's annual total gold output was 403.1 tons, increased by 42.1 tons with the growth rate of 11.66%. Of which, gold mines finished the gold output of 341.8 tons, increased by 13.18% compared with the same period of 2011; byproduct gold of nonferrous metals finished the output of 61.3 tons, increased by 3.9%. As for the output of gold products, the top 5 provinces are Shandong, Henan, Jiangxi, Yunnan and Inner Mongolia; the output in these five provinces account for 61.39% all over China. In 2012, China's gold enterprises achieved total industrial output value of CNY 380.79 billion, increased by 33.91% year-on-year, and the profits reached CNY 35 billion, increased by 4% year-on-year.

**Fig. 16 Gold Output in China, 2008-2012**

Source: Ministry of Land and Resources; Huidian Research

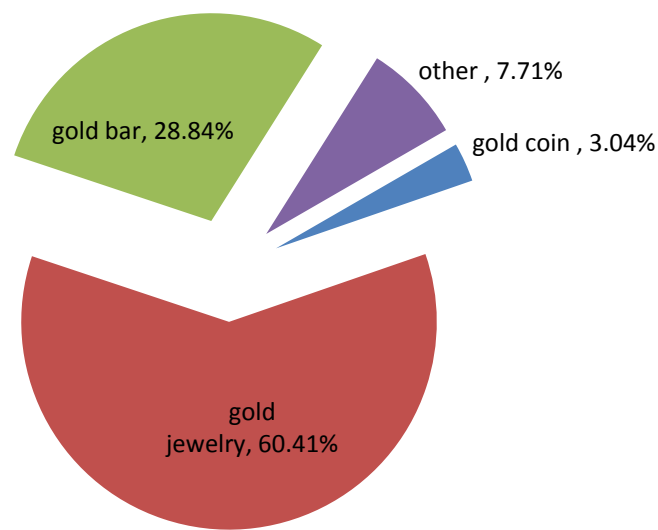
According to the latest statistics of China Gold Association, China's gold consumption volume was 761.05 tons in 2011, increased by 189.54 tons with the growth rate of 33.2% over 2010. Of which, the consumption of gold jewelry was 456.66 tons, increased by 27.9% year-on-year; the consumption of gold bar was 213.85 tons, increased by 50.7%; the consumption of gold coin was 20.80 tons, increased by 25.2%; industrial gold consumption was 53.22 tons, increased by 12.3%; the gold consumption in other aspects was 16.52 tons, increased by 93.9%.

The statistics also showed that China's gold coin consumption was 25.30 tons in 2012, increased by 21.63% year-on-year; the consumption of gold jewelry was 502.75 tons, increased by 10.09%; the consumption of gold bar was 239.98 tons, increased by 12.22%.

**Fig. 17 Consumption of Gold Jewelry in China, 2008-2012**

Source: China Gold Association; Huidian Research

**Fig. 18 Proportion of Various Gold Products in China, 2012**



Source: China Gold Association; Huidian Research

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