

Fashion Jewellery & Accessories

Global Imitation Jewellery Market

Where does India stand?

Among the regions, China and India are the largest manufacturers of imitation jewellery. The horizon of the imitation jewellery is vast and consists of a huge range of raw materials - beads, metal, imitation stones, CZ crystals, etc. Shine of India's non-precious jewellery continues to attract customers from US with imitation jewellery constituting 93% of the US jewelry market, France, Germany, UK and the Middle East, demand has also grown in Pakistan over the last few years.

However, there is still scope for Indian traditional jewellery as it is very popular and not produced by any other country in the world. Talking about potential, it's not just Asia that is a potential market, imitation jewellery has a very promising market in emerging countries like Brazil and Argentina. However, the biggest buyers are Saudi Arabia, Dubai [UAE], African countries and Malaysia. People of Asian origin living in UK and US also demand this kind of jewellery.



Global Imitation Jewellery Trend

Way forward for India

The jewellery industry seems poised for a glittering future. The imitation jewellery market is projected to grow at a high rate due to growing demand. The costume jewellery market was valued at \$32.9 billion in 2019, annual global sales of \$148 billion were expected to grow at a healthy clip of 5 to 6 percent each year, totaling \$250 billion by 2020 and is estimated to reach \$ 59.7 billion by 2027, registering a CAGR of 7.80% from 2020 to 2027.

Costume jewellery has been gaining traction in emerging market, owing to change in lifestyle, rise in disposable income, and surge in prices of precious metal jewellery and helps to grow the costume jewellery market size. Other main drivers of growth for the imitation jewellery market is globalisation of brands, rising prices of gold and other valuable stones and pearls, and growing demand for male costume jewellery. Growing fashion consciousness among teens and cost-effective fashionable jewellery is likely to boost the overall market in the coming years.

Global Regional Analysis: Focus Products for 2025

Countries	HS Code	Product
USA	711719	JEWELLERY- SILVER - 71171920
	711311	SILVER FILLIGREE WORK - 71131110
EU	711719	JEWELLERY- SILVER - 71171920
	711311	SILVER FILLIGREE WORK - 71131110
Japan	711719	JEWELLERY- SILVER - 71171920
Latin America	711719	JEWELLERY- SILVER - 71171920
	711311	SILVER FILLIGREE WORK - 71131110
CIS	711719	JEWELLERY- SILVER - 71171920
	711311	SILVER FILLIGREE WORK - 71131110
Australia	711311	SILVER FILLIGREE WORK - 71131110
ASEAN	711719	JEWELLERY- SILVER - 71171920

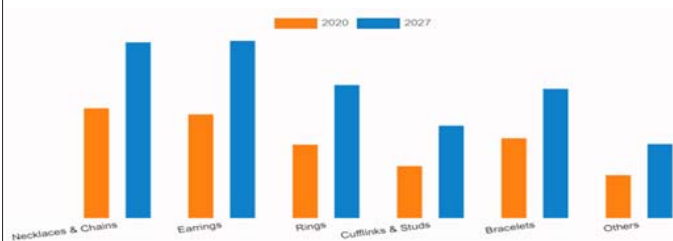
Moving beyond 2020

What product categories should India focus on?

Global costume jewellery market analysis for 2019 highlights the necklaces & chains and bracelets segments holding a combined share of 41.4% in global costume jewelry market, owing to their increased demand emerging out of growing female as well as male fashion-conscious consumers worldwide.

The rings segment would witness the fastest growth, registering a CAGR of 8.9%

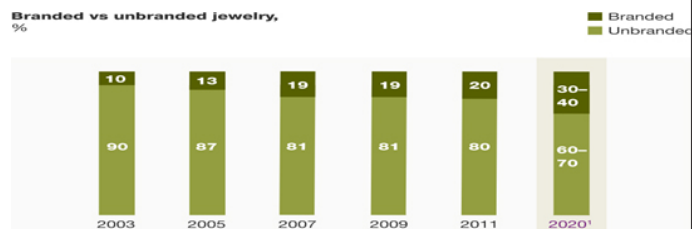
Female gender segment accounted for more than half of



the share in the total costume jewellery market and is expected to grow at a CAGR of 7.60% and is expected to continue this trend by 2027. This can be attributed to changes in lifestyle and demographic dividend, rise in awareness on skin care & allergies caused due to metals, and customisation of jewellery designs.

Branded Jewellery is on the rise

Branded vs unbranded jewelry, %



HS codes which are expected to gain in 2025 where export focus should be maintained in the fashion category includes 711311 (Silver Filigree - 71131110), (Jewellery- Silver - 71171920), 711790 (Imitation Jewellery - 71179010), 650500 (Beaded Bangles - 70181010).

in this region. However, the costume jewellery market has significantly benefited from the economic growth in the Asia-Pacific and LAMEA regions.

United States of America

USA (see table below) has always welcomed innovative designs that transform one's appearance into remarkable stance. Although for the product categories listed below import demand in the US is dropping for last 5 years, the demand for costume jewellery in the US is expected to gain traction, in the years to come, as leading-edge accessories will continue to replace traditional ornaments. By the end of 2024, the costume jewellery market in US will have netted revenues worth over US\$ 20,289.3

Prospects for Indian Fashion Jewellery & Accessories across Global Markets

Increase in consumer preference for fashionable and affordable jewellery is expected to foster the growth of the market. The adoption of costume jewellery has been significantly high in mature regions such as the U.S., Canada, and Germany, while emerging countries such as China, Brazil, and India are catching up rapidly.

North America is the most prominent regional market, owing to its evolved retail structure and higher adoption of costume jewellery due to aggressive advertising and celebrity brand endorsement. Moreover, higher expenditure of consumers on

Code	Product label	2015	2016	2017	2018	2019	Trend
	Fashion jewelry	1927859	1676683	1479930	1502653	1349967	
711719	Imitation jewellery, of base metal, whether or not plated with precious metal (excluding cuff ...	1138924	942383	824832	816579	689898	
711790	Imitation jewellery (excluding jewellery, of base metal, whether or not clad with silver, gold ...	600213	556454	493848	519481	499945	
701810	Glass beads, imitation pearls, imitation precious or semi-precious stones and similar glass ...	123948	114251	96199	100184	89345	
701820	Glass microspheres <= 1 mm in diameter	23206	24801	27359	27328	34664	
701890	Glass eyes (excluding prosthetic articles); articles of glass beads, or of imitation pearls, ...	30733	30290	30319	31118	29516	
711711	Cuff links and studs, of base metal, whether or not clad with silver, gold or platinum	10835	8504	7373	7963	6599	

Versace S.p.A, Hermes International AS, LVMH Moët Hennessy Louis Vuitton SE, and Gucci are key players in US costume jewellery market. Others include Pandora A/S, ZARA ESPANA SA, Hennes & Mauritz Ab, Guess Inc., and Alex and Ani, LLC.

Business tips for Indian companies

- Earrings & Finger Rings are likely to become top-selling products in US costume jewellery market.
- In terms of revenue, sales of necklaces & pendants across US will exhibit sizeable growth of 5.7% CGAR.
- Increasing presence of non-branded costumes, jewellery makers will keep fragmenting the markets growth.
- Inclination towards the purchase of premium costume jewellery will fuel the market expansion as raising the disposable income and easy access to the top brands will propel the reach of costume jewelry business in the US.
- Through 2024, close to US\$ 10,000 Mn worth of costume jewellery was sold in the US and will be priced between US\$ 50 Mn to US\$ 100 Mn, while demand for high priced (US\$ 220 above) will gain traction.
- Multi brand boutiques will be identified as largest distribution channels for costume jewellery in US.

European Union

European import has grown significantly and consistently. Most of these imports are intra-European and despite China being one of the leading developing country suppliers, Chinese imports have been declining though over the years. Growth in jewelry sales varied from country to country.

Business tips for Indian companies

- Europe needs imports from developing countries for costume jewellery, bride jewellery, special jewellery designs, and jewellery components.
- The rapidly developing online retail channel in the UK offers better accessibility and an easier market entry for exporters than traditional channels. To compete with local costume jewellery producers, exporters should enter the country with a trendy and inspiring jewellery design and capitalize on lower production costs compared to Europe. UK sales expected to pick up in 2022 mainly due to silver jewellery.
- The fragile economy in France and deteriorating consumer purchasing power resulted in fast-growing sales of low-priced costume jewellery. Jewellery exporters will benefit from the growing costume jewellery market by offering a

well-priced product. To compete with the larger fine and bridge jewellery market, Indian exporters should stand-out with a sound positioning. Focusing on a niche segment such as recycled jewellery can open doors on the French market.

- Italy is 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.
- The speedy recovery of the Netherlands after the European slowdown and the increasing demand for fast-fashion products by young people are driving sales of costume jewellery in the country.
- Indian exporters should enter Spain with a value-for-money proposition - low-priced jewellery with a distinctive design. The price is crucial for the Spanish consumer and it is a driving factor in retaining competitiveness on the market. Therefore, exporters should capitalise on their lower production costs compared to Europe, improve the efficiency of their resource use and reduce the cost of raw materials by switching to lower-priced alloys.

LAC

The leading players include a combination of Mexican, Brazilian, and global players. Jewellery sales in Latin America are mostly driven by fine jewellery, wherein, Mexico and Brazil forms the key markets for costume jewellery. Imitation jewellery of base metal except cuff links captures almost around 63.55% of the market share followed by non-base metal jewellery. Market is a highly fragmented category in Latin America, with a large number of small brands and a vast amount of unbranded jewellery.

Business tips for Indian companies

- Mexican market, dominated by costume jewellery, was quite resilient to the economic environment and continued growing, driven by product innovation.
- In Brazil, where the population with income above USD100,000 is twice as big as in Mexico, fine jewellery accounts for 86% of national jewellery value sales.
- In Mexico, the category accounts for only 32% of total sales. Mexico is also a strong silver producer, and local jewellers offer items made of various materials, at various prices for consumers at different income levels.

- Conversely, in costume jewellery, jewellery and watch specialist retailers only accounts for 34% of the region's category sales. Other key distribution channels for the category include leisure and personal goods specialist retailers (36%), variety stores (22%), and apparel and footwear specialist retailers (15%). Non-store retailing is also a significant channel for costume jewellery, accounting for nearly 16% of the category's value sales in Latin America.

CIS : Business tips for Indian companies

- Import trends of fashion jewellery in CIS has been found to be high in imitation jewellery both of base and non-base excluding cufflinks capturing highest share of more than 50% and 25% respectively depicting a growing trend.
- Russian Federation is the largest importer of imitation jewellery from amongst the CIS nations followed by Kyrgyzstan; latter growing at the rate of 80% in past 5 years. However, in the absence of any trade agreement, high import duty rate of 14.4% in Azerbaijan which is growing at the rate of 44%.

Japan

Japan can be considered as the next great destination for Indian jewellery exporters. The jewellery industry in Japan covers myriads of product which range from personal ornaments and decorative costume jewellery to precious metals and gems. And even though the traditional sector of the jewellery market in Japan occupies almost 70 per cent, there are increasing opportunities for Indian exporters as the demand for unique and unusual designs growing everyday among the younger generation of the country. At present, this non-traditional sector occupies 16 per cent but is widely expected to increase rapidly over the coming years.

Amongst the product categories imported into Japan, Indian exporters have a huge potential for HS code 711719 i.e imitation jewellery of base metal excluding cufflinks as it is on highest demand occupying 72% of total imitation jewellery imports of Japan and has been growing for past five years.

Business tips for Indian companies

- Best sales seasons in Japan are March and April. Christmas, Valentine's Day (16 February), White Day (16 March) are also prime gift-giving times.

- Fancy jewel boxes and woven fabric sachet are usually used for packaging of jewellery items.
- In Japan, success of a foreign business depends on being introduced by a prominent intermediary. Some distinguished importers in the Japanese jewellery market include Nagahori, Kuwayama, Kashikey, etc.
- Cooperating with a Japanese jewellery designer is a good idea to develop jewellery accessories that appeal to Japanese consumers.
- Rings include engagement & wedding rings account for 40-60% of Japan's volume. Usually, diamond stud engagement rings are most popular in Japan. Fashion rings using colored stone are also popular among Japanese customer.
- Necklaces & Earrings: These items accounts for 40% and 33% of the total jewellery market of Japan.

Conclusion

India's traditional jewellery has always been highly valued in several markets across the globe. However Indian exporters need to be akin to the changing consumer preferences. People used to wear intricate jewellery a while back. But now the trend has changed. Nowadays, the jewellery normally worn by youngsters are simple chains or small studs or thin bangles.

The demand for this is more and China is very strong in this particular field. Women in the age group of 25-35 years are the largest consumers of this kind of jewellery. China has captured this particular market, where jewellery can be mass produced. The machinery used are properly automated which can cater to the demand of a large number of consumers. They have huge plants for production. In India we still do not have proper machinery. Our artisans are still not exposed to the technology.

Chinese jewellery is cheaper for two reasons, one being automation and the other being the support from their government. They are given land at very cheap rates and their duty structure is favourable to the industry. In fact, China has captured almost 30% of the market in India itself. Indian policies need to take all these into account. ■



The study conducted by Indian Institute of Foreign Trade (IIFT) & sponsored by O/o DC (Handicrafts), Ministry of Textiles, is available at <https://epch.in/iift-epch-study/Fashion-Jewellery-accessories.pdf>. In case of any query please write to us at policy@epch.com