

MARKET REPORT

JEWELLERY

Hong Kong

September 2020



Ministry of Foreign Affairs
and International Cooperation

ITCA 
ITALIAN TRADE AGENCY

JEWELLERY INDUSTRY IN HONG KONG



Hong Kong boasts as one of the largest offerings of luxury jewelry brands in the world. Between many brands available largely dominate the main European luxury brands, most appreciated for their creativity and design.

Hong Kong's jewellery industry is dominated by the fine jewellery sector. Its development has been facilitated by the expansion of the local market, including sales to tourists.

Jewellery production in Hong Kong encompasses a wide range of medium- to high-priced products. Hong Kong manufacturers are good at producing small stones fashion jewellery. Hong Kong leads in the production of pure gold items, and has long been recognised as a major centre for the production of jade jewellery. It is also a leading trading and distribution centre for pearls.

Although high value-added processes are still retained in Hong Kong, manufacturing processes have increasingly been shifted to mainland China, mainly to Shenzhen and Panyu, either by building factories or through outsourcing. Meanwhile, more manufacturers have made use of computer-aided design to shorten the time cycle for product development.

In **January-May 2020**, Hong Kong's fine jewellery exports registered a **41% year-on-year decrease**, while those of imitation jewellery fell by **22%**. The exports of pearls, gem-stones and rough diamonds showed a similar downward trend, with a **48% slide in the first five months of 2020**.

More than 70% of sales in Hong Kong derive from purchases made from Mainland Chinese tourists; hence the growing importance of Hong Kong as showcase market in function of China.

Many Chinese buyers have become attentive to online product comments, at the level of presence of the brand in China, exclusive designs and authenticity of the products as well as the value of stones and gems. In recent years there have also been cases of companies that have found remarkable increases in its presence in the market thanks to an active commitment to expansion commercial, opening new innovative stores in Hong Kong and mainland China.

Wealthy buyers from mainland China show a greater appreciation for the luxury brands that best express their status and the achievement wealth; they have become more and more sophisticated in the choice of their jewelry and accessories with a strong desire for self-expression and differentiation within their own social group.

It should also be said that Mainland China's campaign against corruption of their own officials, often accused of spending public money on extravagant spending and gifts luxuriously, slightly reduced the purchase demand for extra-luxury products;

plus many consumers of the younger generation have shifted their focus towards more accessible brands, focusing more on design and originality.

It is reported that consumers remain rather reluctant to buy jewelry and watches from online sites, preferring more specialists and branded boutiques, keeping the primacy of retail sales. However, some local jewelry retailers are initiating the launch of e-commerce platforms to exploit the strong demand expansion in China.

It should also be noted the increased sophistication of the consumer in the choices of jewelry and luxury accessories and also in the request for a high customization of the product

IMPACT OF THE PANDEMIC

Local business environment has been affected by the social incidents since June 2019 and the pandemic from Feb 2020. According to the HKSAR government, the number of tourist arrivals in the past few months had been at a dramatic low, **decreased drastically down 99%** with reference to the same months last year due to travel restriction policies under the outbreak of the COVID-19. It has brought inbound tourism almost to a standstill and caused severe disruptions to consumption-related activities.

Referring to the latest figures from the Census and Statistics Department on retail sales, for the first half of 2020, it was provisionally estimated that the value of total retail sales decreased by **33.3%** compared with the same period in 2019.. In June, Sales dropped to **HK\$26.5 billion** (\$3.42 billion), government data showed on Thursday, the 17th consecutive month of decline. The drop compares with a revised **32.9%** decline in May.

In volume terms, retail sales in June fell **25.4%**, compared with a fall of a revised **34%** in the previous month.

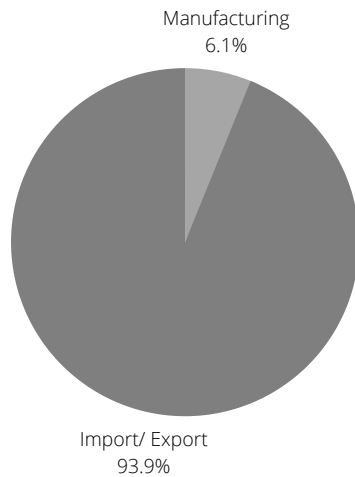
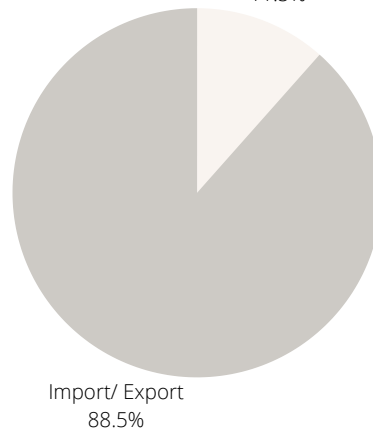
(<https://www.nytimes.com/reuters/2020/07/30/world/asia/30reuters-hongkong-economy-salesfigures.html>)



PwC predicted that Hong Kong retail sales will fall by 19.7 percent to HK\$346 billion in 2020 due to the coronavirus pandemic, with local retail sales rally by 16.9 percent in November and 7.8 percent in December, boosted by rising mainland tourist arrivals. The projection is based on an assumption that the third wave of coronavirus in Hong Kong will end by late August or early September, and the border restrictions between the city and the mainland China would be lifted in October or November.

(<https://www.thestandard.com.hk/breaking-news/section/2/151381/HK-retail-sales-forecast-to-fall-by-19.7pc-this-year>)

With the above numbers, therefore, it should be noted that it might be difficult to find local operators that are willing to expand their cooperation in this period of time.

No. of establishments - 2019*Employees - 2019*

Industry Features

Hong Kong's jewellery industry can be classified into two main sectors: costume jewellery and precious metal jewellery, the latter dominating the sector with 85% of the value of total jewellery exports. Its development has been favored thanks to the expansion and development of the internal market, including sales to tourists.

The production of jewelry in Hong Kong encompasses a wide range of products between medium and high value. Hong Kong manufacturers specialize in the production and processing of small precious stones with elements of contemporary fashion.

The high productivity and the overall technical level of Hong Kong jewelry is perceived above its competitors, such as Thailand, although still below world leaders such as Italy and Japan.

It should also be noted that Hong Kong is the current leader in the production of gold items and for several years it was considered one of the main centers for the production of jade jewelry. In recent years it has also taken on the role of a leader in the pearl trade and distribution.

Although high value added processes remain confined to the Hong Kong region, manufacturing processes increasingly tend to be shifted to mainland China, mainly to Shenzhen and Panyu, either through factory construction or through outsourcing. In the meantime, more and more manufacturers are using information technologies to facilitate and speed up the development cycle of the jewel, increasing its productivity.

Sales Channels

Dealers and manufacturers

There are over 4,000 jewelers in Hong Kong, with the vast majority owned by local owners who started their business as goldsmiths. Most of the goldsmiths are family-run and even the provenance of the jewels sold at retail is mostly from local workshops or factories.

In these family businesses, it is the second generation that runs the business and has recently modernized retail operations. The shops are no longer traditional goldsmiths but modern jewelers in shopping centers or dedicated showcases inside department stores. Some have expanded their activities to other countries, especially China. Among the main local shops are: Chow Sang Sang / Emphasis, Chow Tai Fook, Luk Fook, Tse Sui Luen, Just Gold, King Fook, Larry, Ma Belle, Madia, Emperor, My Jewelry. There are also department stores with jewelry departments, such as Lane Crawford, Sogo, Harvey Nichols, etc.

High-priced international brands that target customers at the high end of the market have a large following among local consumers and tourists. To name just a few, Bulgari, Buccellati, Cartier, Tiffany, Piaget, Van Cleef & Arpels, Mikimoto, Georg Jensen, etc.

Some of the major local retailers are also longtime manufacturers like Chow Tai Fook, Tse Sui Luen etc, equipped with sophisticated machines with automated production and dominate the mass production goldsmith shop. Although some of Hong Kong's largest retail chains are owned by local goldsmiths, some of their products are imported from Italy or other foreign markets using private labels.

Wholesalers and distributors

In addition to local producers who import Italian jewelry, the major distribution channel for Italian jewelry is through wholesalers and direct import by retailers. For local wholesalers, important Italian products are not only sold on the Hong Kong market but are also re-exported to other countries, such as mainland China, the United States and other Asian markets. In fact, the best way to enter the market with minimal risk is through local distributors and well-established wholesalers.

Some companies also offer consultancy services from industry experts, informing their partners about the trends and tastes of Chinese buyers and suggesting possible changes to some products adapting them to the Asian market.



Trade fairs in Hong Kong:

Promotion via participation in trade fairs is an effective way for Hong Kong companies to explore export opportunities (below is a list of selected trade fairs in the industry). In the midst of the Covid-19 pandemic, an increasing number of trade fairs have moved online

Fair	Date	Organiser
Hong Kong International Jewellery Show (HKIJS)	End of February / Beginning of March	Hong Kong Trade Development Council
Hong Kong International Diamond, Gem & Pearl Show (HKIDGPS)	End of February / Beginning of March	Hong Kong Trade Development Council
Asia's Fashion Jewellery & Accessories Fair	March	Informa Markets
June - Hong Kong Jewellery & Gem Fair	June	Informa Markets
Mineral, Gem and Fossil Asia	June	Informa Markets
September - Hong Kong Jewellery & Gem Fair	September	Informa Markets
Hong Kong International Jewelry Manufacturers' Show	November	Hong Kong Jewelry Manufacturers' Association

Major trade fairs for international sales:

MAINLAND CHINA

Shenzhen International Jewellery Fair in September

EUROPE

Vicenza Fair in Italy in January/September

USA

The JCK Show in Las Vegas in June

EUROPE

Baselworld in Switzerland in May

MACAU

Macau Jewellery & Gem Fair in January

MARKET / PRODUCT TREND

1 Covid-19

The Covid-19 pandemic has had a powerful effect on discretionary spending and therefore the global jewellery market. It is estimated that the personal luxury goods market will shrink by 20-35% worldwide in 2020 and that it will take two to three years for the industry to recover to pre-crisis levels. The contraction is seen not only in developed markets, but also in emerging economies such as India, the world's second-largest gold market. Gold consumption here is forecast to hit a 30-year low in 2020 as a result of massive store closures during a time of the year which features key festivals and wedding seasons.

2 Fashion

Articles of jewellery are becoming more fashionable. Innovative designs are important for moving up-market. For instance, silhouette designs, renaissance-inspired jewellery and futuristic designs are the upcoming trends. Manufacturers must have deeper metallurgical knowledge and use the latest technologies, such as 3D printing, laser cutting, and digital printing, engraving and photography to create these designs. Jewellery is following the trend in fashion and moving from high end to target a younger, middle income market, sometimes with branded jewellery.

3 Technology

Recent technological developments allow mass production of jewellery products of good quality and at competitive prices. While Hong Kong's jewellery industry remains basically a handicraft industry, a number of larger establishments employ automated production equipment. These manufacturers integrate advanced techniques such as electroforming, with handicraft skills to improve their efficiency. They use computer-aided design and manufacturing (CAD/CAM) systems, computer numerically controlled (CNC) machine tools and even 3D printers in their product design and manufacturing processes. Such new technologies enable Hong Kong manufacturers to develop fashionable jewellery items and to increase the accuracy of the designed output.

Meanwhile, software in online apps allows buyers to customize their own jewellery, changing the colour, shape, stone and metal used as they desire. New social media platforms use changing social interactions and around-the-clock promotions to target particular market segments.

MARKET / PRODUCT TREND

4 Market Consolidation

Like other industries, market consolidation is commonplace in the jewellery industry, especially in the US. A total of 932 jewellery retailers, wholesalers and manufacturers ceased operations in North America in 2019. This trend may accelerate in the pandemic-ridden 2020 and beyond. While the brick-and-mortar stores of mass merchants such as *Walmart* and *Target* remain important distribution channels for jewellery, some are putting more effort into developing their online sales. For example, *Walmart*, the 2nd-largest jewellery retailer in North America in 2018, is said to be planning to scale down the fine jewellery sections in some of its stores, while maintaining sales through its online channels.

5 Fashion

On marketing and distribution, some Hong Kong jewellers have built up their own branded jewellery or licensing agreements. While this is an effective strategy to enhance long-term competitiveness, it may also require local jewellery manufacturers to move into distribution. Apart from establishing direct retail outlets, e-tailing is becoming an ever more prevalent option for jewellery retail, especially in the US and mainland China. According to Euromonitor International, roughly one-fifth of jewellery sales in the US were made online in 2019. In mainland China, the internet has become an increasingly important jewellery sales channel where 7.2% of total jewellery sales were made in 2019, up from 2.6% in 2014. In response to the rapid e-commerce development, global jewellers are growing their online presence fast.

According to a survey conducted by HKTDC at Hong Kong International Jewellery Show in 2019, 42% of those surveyed are selling their products directly to consumers via online trading platforms, with that figure rising for a fourth consecutive year. Hong Kong jewellery retailers such as Chow Sang Sang and Chow Tai Fook, amongst others, are actively developing their online sales channels. It is expected that e-commerce in the jewellery sector will continue to expand. Over the longer term, the development of internet shopping represents a new direct sales method for Hong Kong jewellers in promoting their products.

GENERAL TRADE MEASURES AFFECTING JEWELLERY EXPORTS

The Shanghai Gold Exchange began operation on 30 October 2002, with its launch seen as a sign that China's gold sector is moving towards a complete market. For details of its business code of conduct and other relevant laws and regulations, please refer to their website.

In May 2003, the mainland abolished the licensing system for businesses trading in gold or silver products. As a result, the production, processing, wholesale and retail of jewellery are all fully deregulated, meaning that any individual can now register to operate a business in the jewellery production, processing and wholesaling sectors.

Hong Kong companies exporting to mainland China are subject to three types of tariffs, namely Value-Added Tax (VAT), customs tariff and consumption tax. Fine jewellery sold in mainland China is subject to a consumption tax of 5-10%. From 1 April 2019, most of the goods (including fine jewellery, pearls, gem-stones and rough diamonds and imitation jewellery) are subject to a reduced VAT of 13% (down from 16%). Also, from March 2020, exports of fine jewellery, gem-stones and rough diamonds and imitation jewellery can apply for VAT rebates of up to 13%

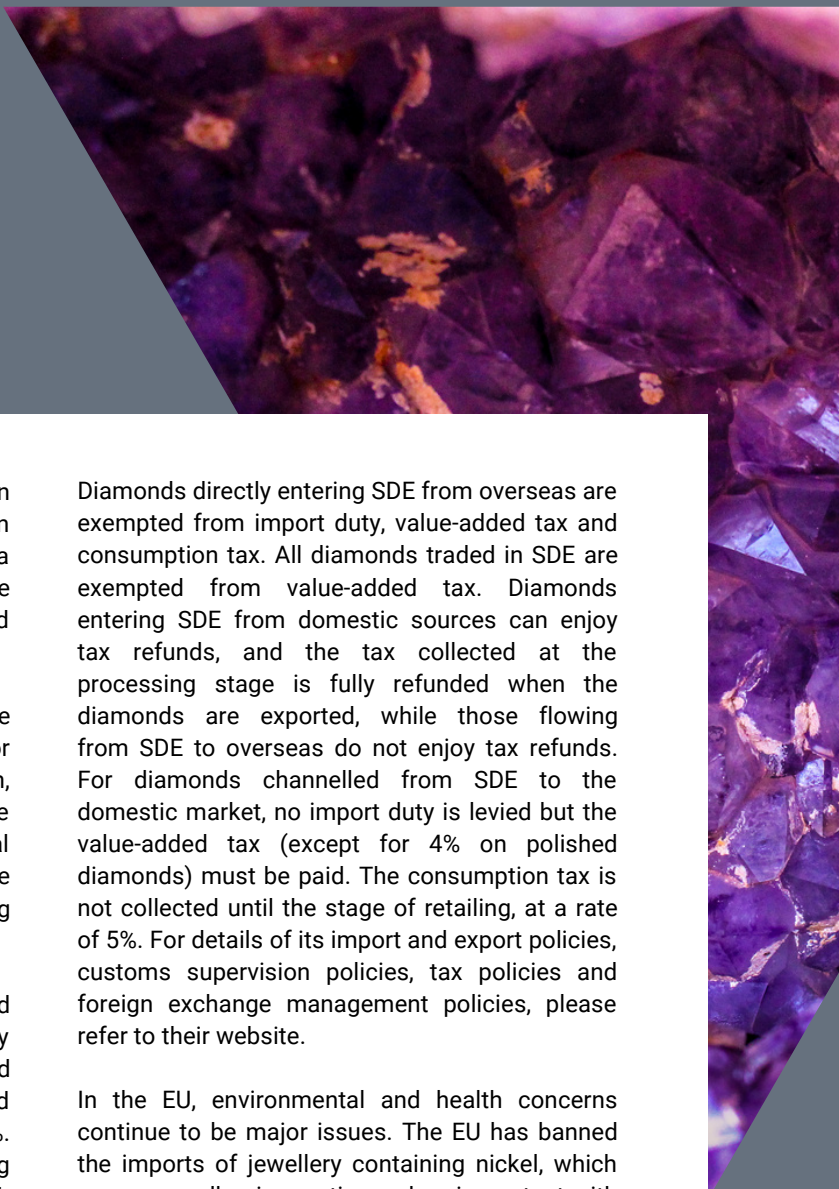
MFN tariffs for such imports range from 0%-21%, depending on the type of products. Detailed export VAT rebate rates and customs tariffs can be checked online.

Diamond (including rough diamond and unset polished diamond) imports and exports under general trade, as well as for the domestic sale of rough diamonds transferred-out in the course of the processing trade, are required to go through the declaration formalities with the customs located inside the Shanghai Diamond Exchange (SDE).

Diamonds directly entering SDE from overseas are exempted from import duty, value-added tax and consumption tax. All diamonds traded in SDE are exempted from value-added tax. Diamonds entering SDE from domestic sources can enjoy tax refunds, and the tax collected at the processing stage is fully refunded when the diamonds are exported, while those flowing from SDE to overseas do not enjoy tax refunds. For diamonds channelled from SDE to the domestic market, no import duty is levied but the value-added tax (except for 4% on polished diamonds) must be paid. The consumption tax is not collected until the stage of retailing, at a rate of 5%. For details of its import and export policies, customs supervision policies, tax policies and foreign exchange management policies, please refer to their website.

In the EU, environmental and health concerns continue to be major issues. The EU has banned the imports of jewellery containing nickel, which can cause allergic reactions when in contact with skin. While this measure provides Hong Kong jewellery products made of other materials an advantage in exporting to the EU, other suppliers have had to adjust to the requirement. Imitation jewellery containing lead is also under strict regulations under the US Consumer Product Safety Commission.

Several organisations offer certification for jewellery materials. They include the World Gold Council, the Natural Colour Diamond Association (NCDIA), and the Diamond Trading Company (DTC). The Tanzanite Foundation has developed a grading system for tanzanite. Gaining their certifications is an increasing trend, and many are expected to become standard in the future.

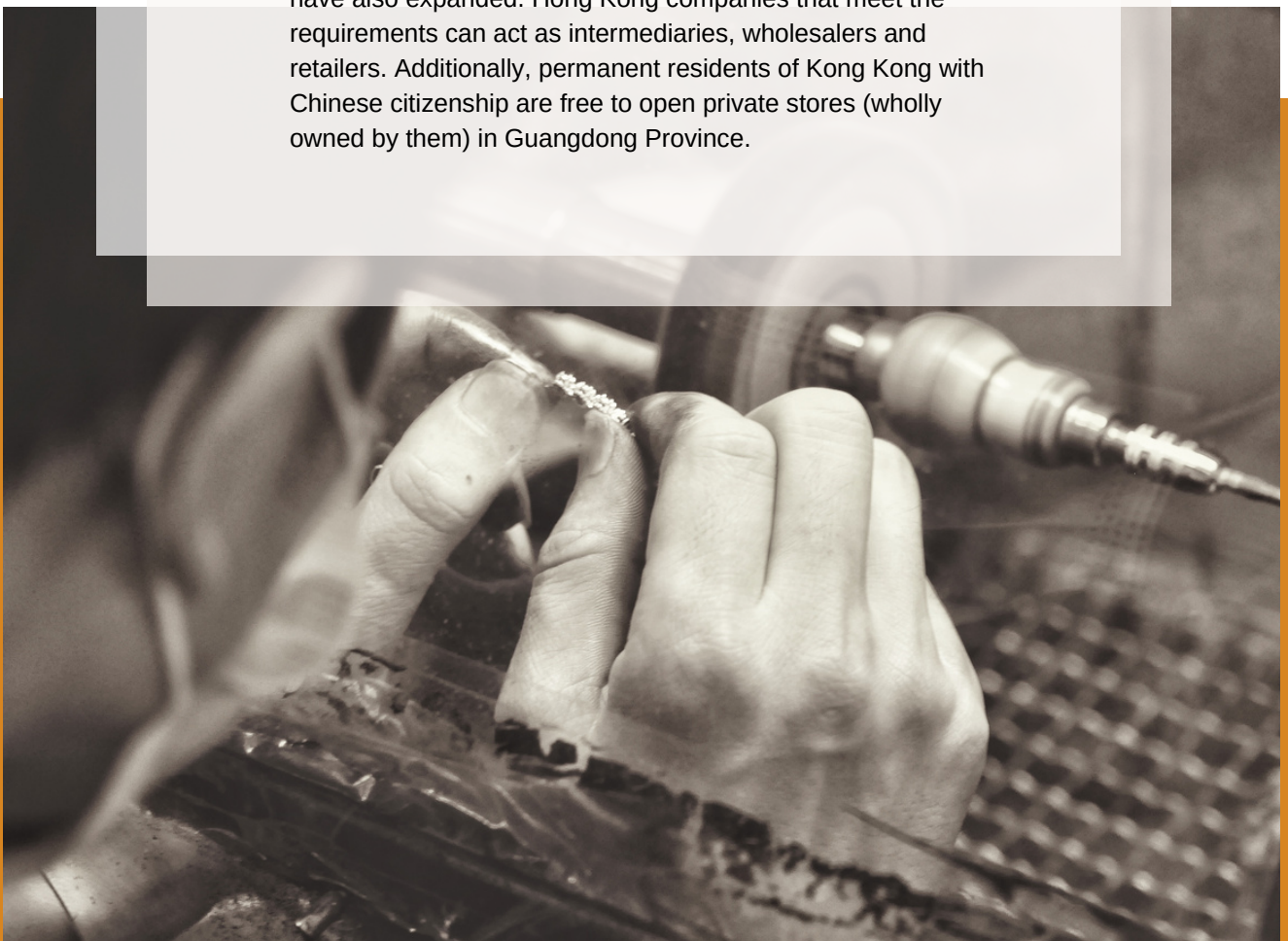


CEPA AGREEMENT

Under the CEPA (Closer Economic Partnership Arrangement) initiated in 2003, 18 product categories in the jewelry and costume jewelry sectors, originating from Hong Kong, are allowed to enter the mainland China market without being subject to duty. These products are classified according to the HS codes defined by the Chinese Customs: 71023100, 71131100, 71131190, 71131911, 71131919, 71131991, 71131999, 71132010, 71132090, 71141100, 71141900, 71142000, 71159090, 711000, 7117117

Further information is available on the Hong Kong Trade and Industry Department website:
<http://www.tid.gov.hk/english/cepa/index.html>

Thanks to the CEPA agreement, the distribution channels have also expanded. Hong Kong companies that meet the requirements can act as intermediaries, wholesalers and retailers. Additionally, permanent residents of Hong Kong with Chinese citizenship are free to open private stores (wholly owned by them) in Guangdong Province.



FOREIGN TRADE DATA

In 2019, Hong Kong's total import in the sector (HS code 71) was over 50 billion USD, of which 50% consisted of diamonds (HS 71 02) and 31% of precious jewels (HS 71 13).

Italy was the 14th overall supplier for products of the HS 71 code with 1.2 billion USD (India, China, Switzerland and South Africa are in top places), 6th supplier for precious jewels (HS 71 13) (behind China, India, France, USA) with 1 billion USD, and 14th supplier for diamonds (HS 71 02) with 40 million USD.

In January–May 2020, Hong Kong's fine jewellery exports dropped by 41% year on year, with re exports falling by 43% and domestic exports by 32%. The US, which saw a 53% decrease in sales in the first five months of 2020, remains Hong Kong's leading jewellery export market. Coming in second is mainland China, which saw a 58% sales jump during the same period. Sales to other major markets than the UAE were down by 10 70% in January May 2020. Sales of precious metals jewellery, the dominant category at 98% of the total, fell by 41% in the first five months of 2020.

Meanwhile, Hong Kong's exports of imitation jewellery slipped by 22% year on year in January May 2020. Re exports, which account for almost all of the imitation jewellery exports, with more than 85% originating from mainland China, slid by 22%, while domestic exports, albeit from a low base, soared by 204%.

Hong Kong's exports of pearls, gem stones and rough diamonds followed a similar downward trend, registering a 48% slump in January May 2020. Domestic exports, on the other hand, jumped by 59% year on year from a relatively low base, while re exports, accounting for almost all of the total, shrank by 48% over the same period.

Precious jewellery (SITC 897.3)	2018		2019		Jan-May 2020	
	HK\$mnn	Growth %	HK\$mnn	Growth %	HK\$mnn	Growth %
Domestic exports	7,688	+10	9,871	+28	3,187	-32
Re-exports	49,277	+14	52,996	+8	12,527	-43
of mainland China origin	21,625	+8	20,249	-6	3,990	-52
Total exports	56,965	+13	62,867	+10	15,714	-41

Imitation jewellery (SITC 897.2)	2018		2019		Jan-May 2020	
	HK\$mnn	Growth %	HK\$mnn	Growth %	HK\$mnn	Growth %
Domestic exports	10	+11	8	-17	7	+204
Re-exports	5,780	+1	6,220	+8	1,803	-22
of mainland China origin	5,053	-2	5,389	+7	1,550	-23
Total exports	5,790	+1	6,229	+8	1,811	-22

Pearls, gem-stones and rough diamonds (SITC 667)	2018		2019		Jan-May 2020	
	HK\$mnn	Growth %	HK\$mnn	Growth %	HK\$mnn	Growth %
Domestic exports	206	+15	206	*	100	+59
Re-exports	147,860	-18	129,547	-12	31,157	-48
of mainland China origin	5,014	-56	4,384	-13	1,227	-34
Total exports	148,065	-18	129,753	-12	31,257	-48

* Insignificant

Source: Hong Kong Trade Statistics, Census and Statistics Department

Hong Kong Imports from _World

Commodity: 71, Natural Or Cultured Pearls, Precious Or Semiprecious Stones, Precious Metals; Precious Metal
Calendar Year: 2017 - 2019

Partner	January - December (Value: 000 USD)			Market Share(%)			Change 2019/2018	
	2017	2018	2019	2017	2018	2019	Amount	Percent
_World	70,489,898	64,673,300	53,464,795	100	100	100	-11,208,505	-17.33
India	17,214,519	13,613,953	11,928,188	24.42	21.05	22.31	-1,685,765	-12.38
China	6,848,471	7,922,831	7,934,739	9.72	12.25	14.84	11,908	0.15
Switzerland	10,842,523	9,227,033	4,444,258	15.38	14.27	8.31	-4,782,775	-51.83
South Africa	3,518,743	3,438,851	2,881,556	4.99	5.32	5.39	-557,295	-16.21
Israel	2,794,711	2,910,906	2,833,601	3.97	4.50	5.30	-77,305	-2.66
Australia	7,117,671	5,174,416	2,460,344	10.10	8	4.60	-2,714,071	-52.45
Japan	2,170,989	1,847,993	2,056,188	3.08	2.86	3.85	208,196	11.27
Russia	1,502,753	1,561,010	2,040,175	2.13	2.41	3.82	479,165	30.70
Belgium	1,665,618	2,211,919	1,977,681	2.36	3.42	3.70	-234,237	-10.59
United Arab Emirates	1,132,572	1,807,688	1,835,099	1.61	2.80	3.43	27,411	1.52
United States	5,412,606	4,141,770	1,808,844	7.68	6.40	3.38	-2,332,926	-56.33
France	1,062,938	1,336,381	1,525,204	1.51	2.07	2.85	188,824	14.13
Canada	362,226	859,285	1,317,964	0.51	1.33	2.47	458,678	53.38
Italy	1,044,474	1,140,545	1,211,483	1.48	1.76	2.27	70,937	6.22
Philippines	1,386,302	1,272,386	1,021,770	1.97	1.97	1.91	-250,615	-19.70
Bosnia and Herzegovina	3263	0	0	0.01	0	0	0	0

Data Source: Hong Kong Census and Trade

Hong Kong Imports from _World

Commodity: 7113, Articles Of Jewelry And Parts Thereof, Of Precious Metal Or Of Metal Clad With
Precious Metal
Calendar Year: 2017 - 2019

Partner	January - December (Value: 000 USD)			Market Share(%)			Change 2019/2018	
	2017	2018	2019	2017	2018	2019	Amount	Percent
_World	12,138,461	13,114,112	13,643,508	100	100	100	529,396	4.04
China	3,091,560	4,368,189	4,266,843	25.47	33.31	31.27	-101,345	-2.32
India	3,064,842	1,165,619	1,486,747	25.25	8.89	10.90	321,128	27.55
France	981,418	1,283,685	1,454,530	8.09	9.79	10.66	170,844	13.31
United States	1,089,102	1,262,709	1,189,276	8.97	9.63	8.72	-73,433	-5.82
United Arab Emirates	266,118	1,233,603	1,185,089	2.19	9.41	8.69	-48,515	-3.93
Italy	951,339	1,041,489	1,080,884	7.84	7.94	7.92	39,395	3.78
Hong Kong	362,906	435,164	617,120	2.99	3.32	4.52	181,956	41.81
Switzerland	714,713	711,170	593,153	5.89	5.42	4.35	-118,017	-16.59
United Kingdom	415,394	251,764	346,149	3.42	1.92	2.54	94,385	37.49
Indonesia	356,986	288,808	281,572	2.94	2.20	2.06	-7,236	-2.51
Turkey	142,566	239,962	275,374	1.18	1.83	2.02	35,413	14.76
Thailand	183,205	164,090	225,646	1.51	1.25	1.65	61,556	37.51

Data Source: Hong Kong Census and Trade

Hong Kong Imports from _World

Commodity: 7102, Diamonds, Whether Or Not Worked, But Not Mounted Or Set
Calendar Year: 2017 - 2019

Partner	January - December (Value: 000 USD)			Market Share(%)			Change 2019/2018	
	2017	2018	2019	2017	2018	2019	Amount	Percent
_World	20,560,361	20,880,447	17,719,738	100	100	100	-3,160,709	-15.14
India	12,118,200	11,728,611	9,456,819	58.94	56.17	53.37	-2,271,792	-19.37
Israel	2,723,593	2,811,037	2,764,819	13.25	13.46	15.60	-46,218	-1.64
Belgium	1,602,720	2,160,152	1,925,382	7.80	10.35	10.87	-234,770	-10.87
South Africa	668,529	932,815	923,511	3.25	4.47	5.21	-9,303	-1
China	758,716	848,141	804,635	3.69	4.06	4.54	-43,507	-5.13
United States	696,343	577,945	412,644	3.39	2.77	2.33	-165,301	-28.60
Russia	312,270	322,587	324,634	1.52	1.55	1.83	2,048	0.63
United Arab Emirates	498,232	439,881	299,560	2.42	2.11	1.69	-140,321	-31.90
Botswana	311,347	245,597	221,135	1.51	1.18	1.25	-24,462	-9.96
Angola	284,668	149,721	80,536	1.39	0.72	0.46	-69,185	-46.21
Switzerland	100,903	184,435	76,584	0.49	0.88	0.43	-107,851	-58.48
Thailand	58,237	75,217	66,667	0.28	0.36	0.38	-8,550	-11.37
Canada	43,738	72,394	44,555	0.21	0.35	0.25	-27,839	-38.45
Italy	22,998	19,702	40,769	0.11	0.09	0.23	21,067	106.93
Singapore	46,824	44,591	39,343	0.23	0.21	0.22	-5,248	-11.77
Japan	99,192	55,791	36,698	0.48	0.27	0.21	-19,092	-34.22

Data Source: Hong Kong Census and Trade

Hong Kong Imports from _World

Commodity: 7106, Silver (Including Silver Plated With Gold Or Platinum), Unwrought
Or In Semimanufactured Forms, Or In Powder Form
Calendar Year: 2017 - 2019

Partner	January - December (Value: 000 USD)			Market Share(%)			Change 2019/2018	
	2017	2018	2019	2017	2018	2019	Amount	Percent
_World	913,761	917,812	1,044,128	100	100	100	126,316	13.76
China	496,303	545,043	634,125	54.31	59.39	60.73	89,081	16.34
South Korea	234,185	174,696	195,403	25.63	19.03	18.71	20,707	11.85
Japan	80,281	79,132	90,066	8.79	8.62	8.63	10,935	13.82
Indonesia	8,979	13,544	26,333	0.98	1.48	2.52	12,789	94.43
United Kingdom	39,678	15,924	16,818	4.34	1.74	1.61	895	5.62
Canada	8,913	22,075	15,437	0.98	2.41	1.48	-6,637	-30.07
Australia	238	3,959	14,340	0.03	0.43	1.37	10,380	262.17
United States	7,589	14,008	13,354	0.83	1.53	1.28	-654	-4.67
Puerto Rico	6,739	8,607	10,888	0.74	0.94	1.04	2,281	26.50
Taiwan	12,066	19,236	6,056	1.32	2.10	0.58	-13,180	-68.52
Netherlands	331	2,849	5,935	0.04	0.31	0.57	3,086	108.31
Serbia	0	0	4,749	0	0	0.46	4,749	0
Bolivia	3,938	388	3,176	0.43	0.04	0.30	2,788	717.97
Italy	9,652	3,788	2,041	1.06	0.41	0.20	-1,748	-46.13
Switzerland	1,034	7,525	1,715	0.11	0.82	0.16	-5,809	-77.20
Singapore	576	3,597	1,508	0.06	0.39	0.14	-2,088	-58.07
Germany	1,052	702	829	0.12	0.08	0.08	127	18.01
Hong Kong	732	39	485	0.08	0	0.05	446	1136.41

Data Source: Hong Kong Census and Trade

Hong Kong Imports from Italy
Commodity: 71, Natural Or Cultured Pearls, Precious Or Semiprecious Stones, Precious Metals; Precious Metal Clad Metals,
Articles Thereof; Imitation Jewelry; Coin
Calendar Year: 2017 - 2019

HS Subheading	Description	January - December (Value: 000 USD)			Market Share(%)			Change 2019/2018	
		2017	2018	2019	2017	2018	2019	Amount	Percent
71	Natural Or Cultured Pearls, Precious Or Semiprecious Stones, Precious Metals; Precious Metal Clad Metals, Articles Thereof; Imitation Jewelry; Coin	1,044,474	1,140,545	1,211,483	100	100	100	70,937	6.22
7113	Articles Of Jewelry And Parts Thereof, Of Precious Metal Or Of Metal Clad With Precious Metal	951,339	1,041,489	1,080,884	91.08	91.32	89.22	39,395	3.78
7117	Imitation Jewelry	36,997	41,548	56,108	3.54	3.64	4.63	14,560	35.04
7102	Diamonds, Whether Or Not Worked, But Not Mounted Or Set	22,998	19,702	40,769	2.20	1.73	3.37	21,067	106.93
7108	Gold (Including Gold Plated With Platinum), Unwrought Or In Semimanufactured Forms, Or In Powder Form	7,596	6,663	13,502	0.73	0.58	1.11	6,838	102.63
7103	Precious And Semiprecious Stones (No Diamonds), Not Strung, Mounted Etc.; Ungraded Precious And Semiprecious Stones (No Diamonds) Strung For Transport	6,957	17,143	10,472	0.67	1.50	0.86	-6,671	-38.91
7110	Platinum, Unwrought Or In Semimanufactured Forms, Or In Powder Form	5,074	4,240	4,329	0.49	0.37	0.36	89	2.09
7106	Silver (Including Silver Plated With Gold Or Platinum), Unwrought Or In Semimanufactured Forms, Or In Powder Form	9,652	3,788	2,041	0.92	0.33	0.17	-1,748	-46.13
7116	Articles Of Natural Or Cultured Pearls, Precious Or Semiprecious Stones (Natural, Synthetic Or Reconstructed)	1,089	1,709	1,710	0.10	0.15	0.14	1	0.04
7114	Articles Of Goldsmiths' Or Silversmiths' Wares And Parts Thereof. Of Precious Metal Or Metal Clad With Precious Metal	2,252	3,046	1,022	0.22	0.27	0.08	-2,024	-66.44
7101	Pearls, Natural Or Cultured, Not Strung, Mounted Or Set; Pearls, Natural Or Cultured, Temporarily Strung For Convenience Of Transport	458	705	433	0.04	0.06	0.04	-272	-38.57
7115	Articles Of Precious Metal Or Of Metal Clad With Precious Metal Neso	49	109	205	0.01	0.01	0.02	96	88.50
7105	Dust And Powder Of Natural Or Synthetic Precious Or Semiprecious Stones	0	0	5	0	0	0	5	0
7104	Synthetic Or Reconstructed Precious Or Semiprecious Stones, Not Strung, Mounted Or Set (Including Ungraded Stones Temporarily Strung For Transport)	14	403	3	0	0.04	0	-399	-99.19
7111	Base Metals, Silver Or Gold, Clad With Platinum, Not Further Worked Than Semimanufactured	0	0	0	0	0	0	0	0
7112	Waste And Scrap Of Precious Metal Or Of Metal Clad With Precious Metal; Other Waste And Scrap Containing Precious Metal Principally Use For Recovery	0	0	0	0	0	0	0	-100

Data Source: Hong Kong Census and Trade

SUMMARY ON ITALIAN PRODUCTS



The new trends in the Hong Kong market show how important it is to aim for a unique product and a solid brand. It is therefore essential to invest in an extremely refined and particular design, as well as in efficient and solid marketing. Using the right images, a quality website and exclusive products can really have a huge impact on sales.

• Answers and Feedback

Local importers complain about the consistent percentage of unanswered and unanswered communications from Italian suppliers; they argue that this sometimes involves the cancellation of orders.

• Product certification

The fact that it is one of the largest shopping centers in the world and its strategic location in relation to mainland China have made Hong Kong extremely fertile ground for the traffic of counterfeit goods.

For this reason, today the vast majority of buyers and consequently importers are extremely careful to buy certified products, with particular attention to precious stones.

• Quality

Hong Kong importers in general are particularly demanding on quality control. Some of them complain that orders shipped from Italy sometimes or do not have packaging compliant with the customer's requests; or the goods upon arrival are of a different quality from that agreed.

• Trade Fairs in Hong Kong

To increase the visibility of the Italian product in the Asian market and establish new contacts and new relationships with local operators, it is suggested that Italian companies participate in the main international jewelry exhibitions in Hong Kong for several editions. Among the main trade fairs in the sector, we remember the Hong Kong International Jewellery Show (HKIJS) which generally takes place in March each year, Asia's Fashion Jewellery and Accessories Fair (March / June / September), and Hong Kong Jewellery & Gem Fair (June / September).

LOCAL DISTRIBUTION

Following are some of the major optics distributors in the market.

TSL Jewellery

Tse Sui Luen Jewellery is one of the largest jewellers in Asia, that is principally engaged in jewellery design, manufacturing, trading, retailing and wholesaling.

Address: G/F, Summit Building, 30 Man Yue Street, Hung Hom, Kowloon, Hong Kong

Tel: 2333 4221

Email: orders@tslj.com

Chow Sang Sang Jewellery

Chow Sang Sang boasts a wide array of engagement rings, earrings, accessories & more

Address: 27/F, 9 Wing Hong Street, Cheung Sha Wan, Kowloon, Hong Kong

Tel: 2192 3123

Email: kathy.lo.h.w@chowsangsang.com

Luk Fook Jewellery

Luk Fook Group principally engages in the sourcing, designing, wholesaling, trademark licensing and retailing of gold and platinum jewellery and gem-set jewellery products, with a total of over 2,130 points of sale worldwide

Address: G/F, Summit Building, 30 Man Yue Street, Hung Hom, Kowloon, Hong Kong

Tel: 2333 4221

Email: corporate@lukfook.com

Chow Tai Fook Jewellery

The Group's multi-brand strategy comprises the CHOW TAI FOOK core brand with its offerings of different retail experiences including ARTRIUM, JEWELRIA, Experience Shop and CTF WATCH, in addition to other brands including HEARTS ON FIRE, T MARK, ENZO, SOINLOVE and MONOLOGUE

Address: 38/F, New World Tower, 16 - 18 Queen's Road Central, Central, Hong Kong

Tel: 2322 5108

Email: enquiry@chowtaifook.com

LOCAL ASSOCIATIONS

Diamond Federation of Hong Kong Laboratory Ltd.

www.dfhklab.com.hk

Diamond Federation of Hong Kong

www.diamondfederationhk.com/

Hong Kong Jewellers' & Goldsmiths' Association

www.jewelrynet.com/hkjga/

Hong Kong Jewellery & Jade Manufacturers Association

www.jewellery-hk.org

Hong Kong Jewelry Manufacturers' Association

www.jewelry.org.hk

Hong Kong Pearl Association

www.hkpearlassn.org

The Chinese Gold & Silver Exchange Society

www.cgse.com.hk

The Gemmological Association of Hong Kong Ltd

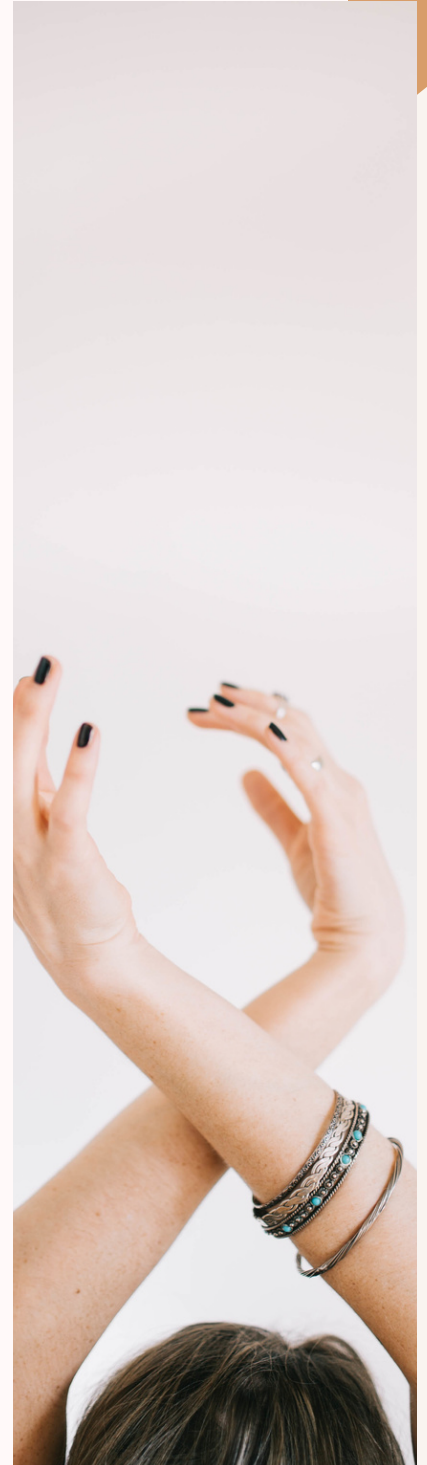
www.gahk.org

Hong Kong Art Craft Merchants Association, Ltd

www.artcraft.org.hk

Hong Kong Diamond Bourse Ltd

www.dfhk.com.hk





ITALIAN TRADE AGENCY

**ICE - Italian Trade Commission
Hong Kong**



Italian Trade Agency



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www.ice.it

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