

2021

Trade Analysis Series

Artificial / Imitation Jewellery Sector, Pakistan



Turn Potential into Profit

Small and Medium Enterprises Development Authority (SMEDA)

Ministry of Industries & Production
Government of Pakistan

www.smeda.org.pk



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1. Product Description

Imitation / Artificial Jewellery refers to jewelry made of inexpensive metal and of a variety of artificial materials, including beads and gemstones. It is also called 'fashion jewelry', because it allows people to experiment with various styles and trends in the most cost-effective manner. Artificial jewellery is widely used by females across the world to match with numerous cultural, traditional and ceremonial as well as everyday wear. The popularity of imitation / artificial jewellery increased tremendously with the longing desire of the middle-class category to adorn bold, beautiful yet affordable jewellery. With industrial revolution and introduction of modern-day technology, the designs improved significantly and the demand surged immensely. The product range of artificial jewellery comprises of a large number of items, mainly Necklace, Pendant Set, Bangles, Earrings, Rings, Cuff Links, Brooch, Chains and Hair Clips etc. The Harmonized Commodity Description and Coding System (referred as HS Codes) designated for trade of Imitation / Artificial Jewellery is 7117. The brief description of sub categories falling with-in product of HS 7117 is provided in the following table:

Table 1: Product Details of Imitation / Artificial Jewellery

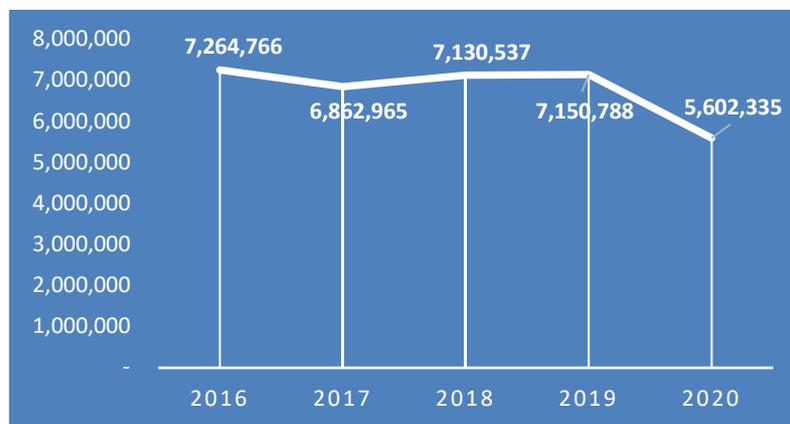
HS Code	Description
7117	Imitation Jewellery
711711	Cuff Links and Studs of Base Metal
711719	Imitation Jewellery of Base Metal
711790	Imitation Jewellery, excluding Base Metal

Source: Trade Map

2. Global Trade of Imitation / Artificial Jewellery

Imitation / Artificial Jewellery is an emerging commodity in international trade. During the year 2020, the total world exports of Imitation Jewellery was US \$ 5.60 billion declining by around 22% compared to previous year i.e. 2019 exports of US \$ 7.150 billion. However, this decline in exports is mainly attributed to Covid-19 Pandemic otherwise the sector has a growing trend in export during the last decade. The growth in trade of global imitation jewellery has shown a mixed trend from the year 2016 ~ 2020, as exhibited in the below graph.

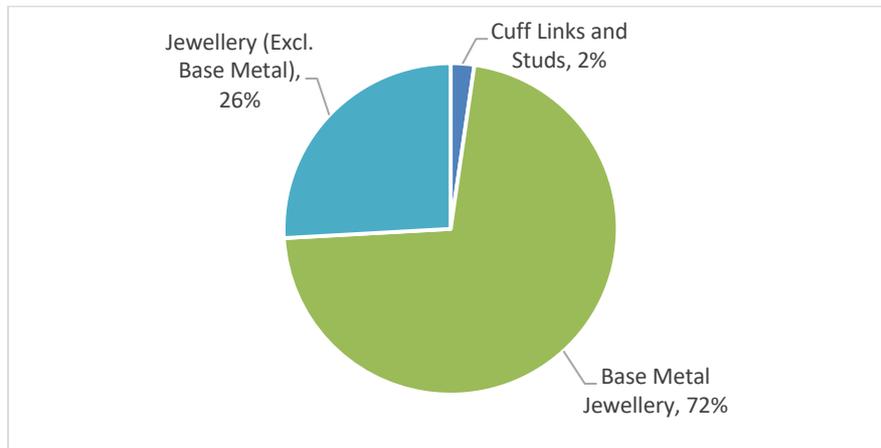
Figure 1: World Export of Imitation Jewellery US \$ '000'



Export Product Mix of Imitation / Artificial Jewellery

The Base Metal Jewellery holds the significant share of exports (i.e. 72%) within the product category of imitation jewellery followed by Non Base Metal Jewellery with 26% share and only 2% share for Cuff Links and Studs.

Figure 2: Product Mix World Exports 2020



Source: Trade Map

The last five year exports show the similar product mix shares in imitation jewellery exports.

Major Exporters

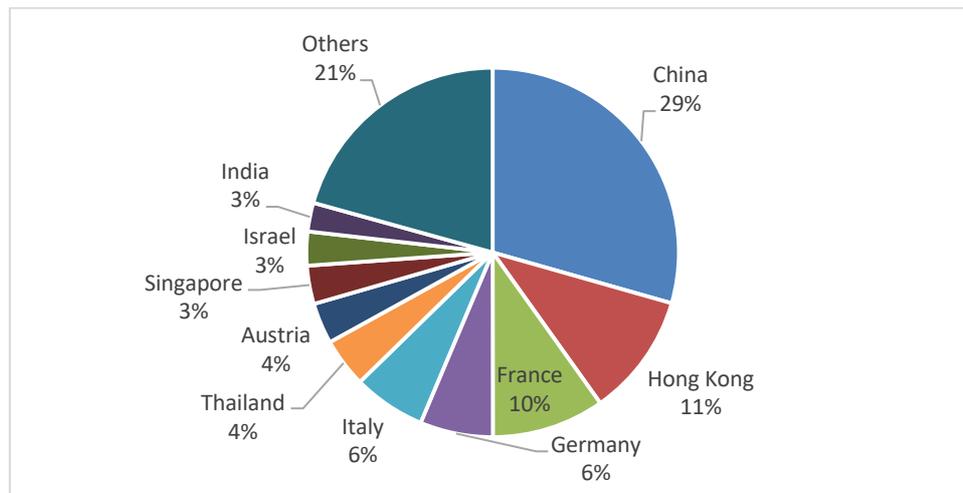
During the last 5 years, the exports of Imitation Jewellery have been dominated by China followed by Hong Kong and France respectively. The export value and market share of the top ten exporting countries during the years 2016-20 are provided in the table and figure below.

Table 2: World Top 10 Exporters - Imitation Jewellery (HS Code: 7117)

Exporters	Export Value in US \$ '000'				
	2016	2017	2018	2019	2020
China	2,241,755	1,919,850	1,758,167	1,881,867	1,649,283
Hong Kong	859,036	734,596	738,865	795,444	602,159
France	398,802	437,132	497,022	519,862	548,755
Germany	250,127	230,352	385,480	386,952	355,035
Italy	295,238	343,171	379,915	385,196	353,732
Thailand	404,851	340,657	417,469	417,265	240,604
Austria	499,324	495,493	470,064	394,770	200,069
Singapore	304,178	364,880	460,202	443,846	187,828
Israel	101,366	116,449	204,533	161,680	166,280
India	212,106	201,421	194,514	189,242	140,933
Others	1,697,983	1,678,964	1,624,306	1,574,664	1,157,657

Source: Trade Map

Figure 3: Exporters Share - Top 10 Exporters in 2020 (HS Code: 7117)



Source: Trade Map

Major Importers

During the last five years, the largest importer of Imitation Jewellery was United States of America followed by France and Germany. The import values of the top ten importers is provided in the below table.

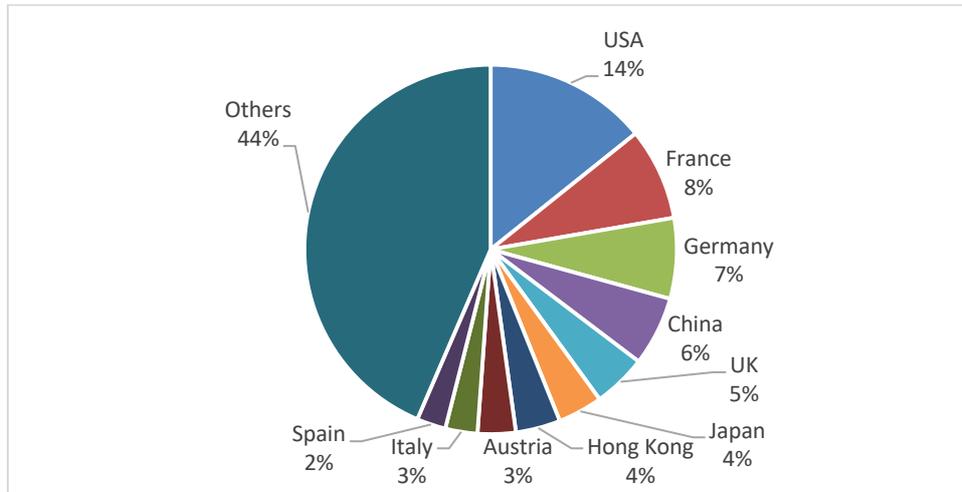
Table 3: World Top 10 Importers - Imitation Jewellery (HS Code: 7117)

Importers	Export Value in US \$ '000'				
	2016	2017	2018	2019	2020
USA	1,507,341	1,325,538	1,338,827	1,189,836	795,376
France	571,319	538,036	539,402	518,286	451,082
Germany	530,500	502,047	468,654	482,293	395,719
China	173,164	225,544	384,161	445,387	339,846
UK	409,141	376,118	363,609	355,283	261,876
Japan	283,172	287,427	272,541	271,748	218,164
Hong Kong	375,573	374,386	391,533	390,095	217,413
Austria	328,784	292,256	306,024	382,285	185,164
Italy	267,494	266,957	254,705	249,057	156,110
Spain	234,651	230,741	226,410	223,010	141,416
Others	2,583,627	2,443,915	2,584,671	2,643,508	2,440,169

Source: Trade Map

Similarly, the percentage share of top ten importers during the year 2020 is exhibited in the following pie chart.

Figure 4: Importers Share - Top 10 Importers in 2020 (HS Code: 7117)



Source: Trade Map

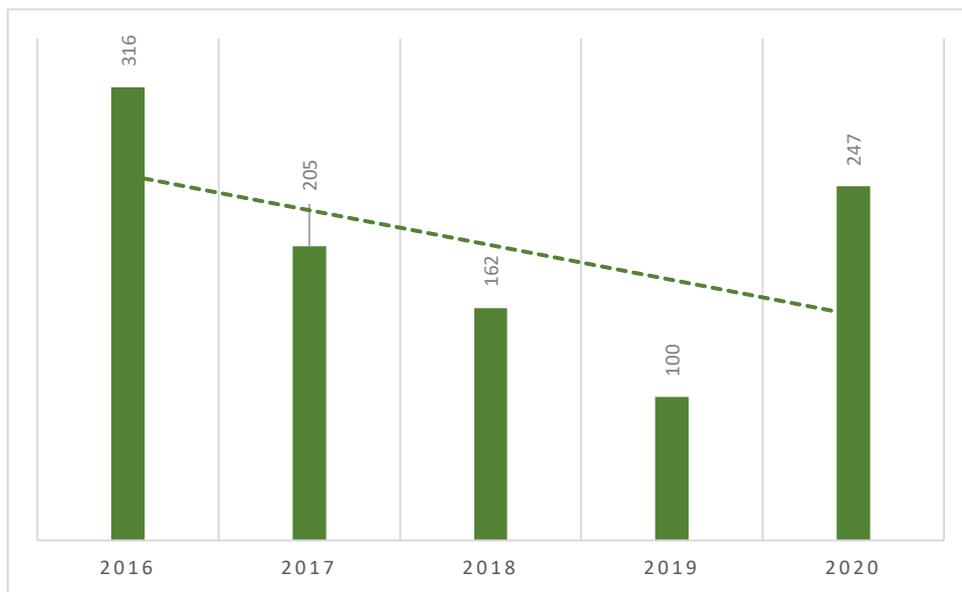
3. Pakistan’s Trade of Imitation / Artificial Jewellery

Pakistan’s Exports of Imitation / Artificial Jewellery

Pakistan’s global exports of Imitation Jewellery is very minimal and has witnessed a significant fall in last past 5 years. The total export of imitation jewellery from Pakistan was US \$ 247,000 in 2020 falling significantly compared to the export of US \$ 316 thousands in 2016.

In the year 2020, Pakistan is ranked 80th in the world exports of Imitation Jewellery. The five-years export performance of Pakistan is presented in the below graph.

Figure 5: Pakistan Export of Imitation Jewellery US \$ ‘000’

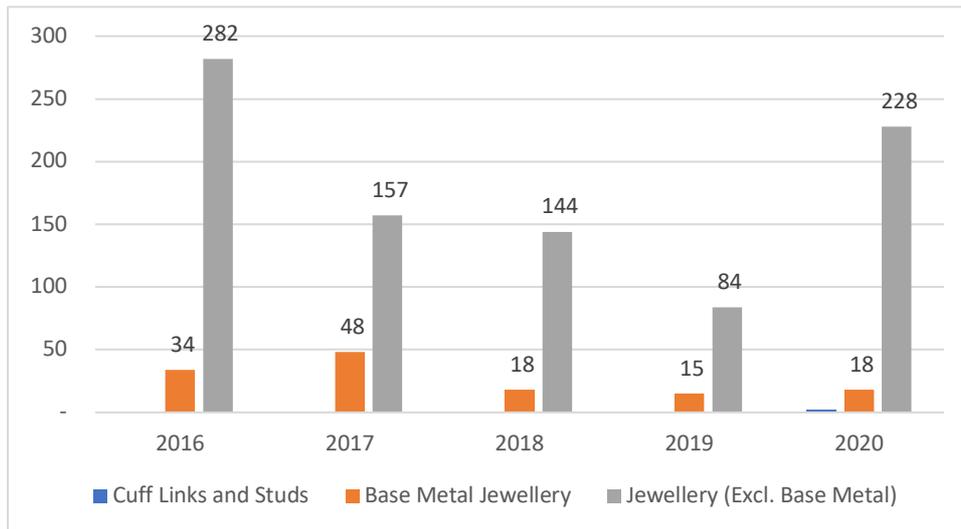


Source: Trade Map

Pakistan's Export Product Mix of Imitation Jewellery

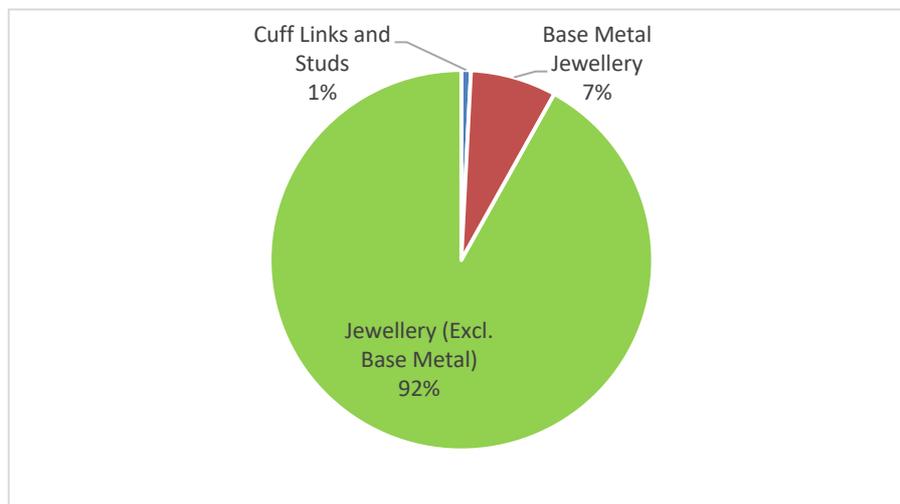
Non Metal Base Jewellery dominates the export product mix of Imitation Jewellery from Pakistan with 92% share in overall exports. Alternatively, export of Metal Base Jewellery leads the world exports of Imitation Jewellery which shows that Pakistani manufacturers are lagging behind to tap the actual world export potential. The graphical representation of Pakistan product mix is exhibited below.

Figure 6: Pakistan Export Product Mix Trend US \$ '000'



Source: Trade Map

Figure 7: Pakistan's Export Product Mix Share in 2020



Source: Trade Map

Pakistan's Export Destinations

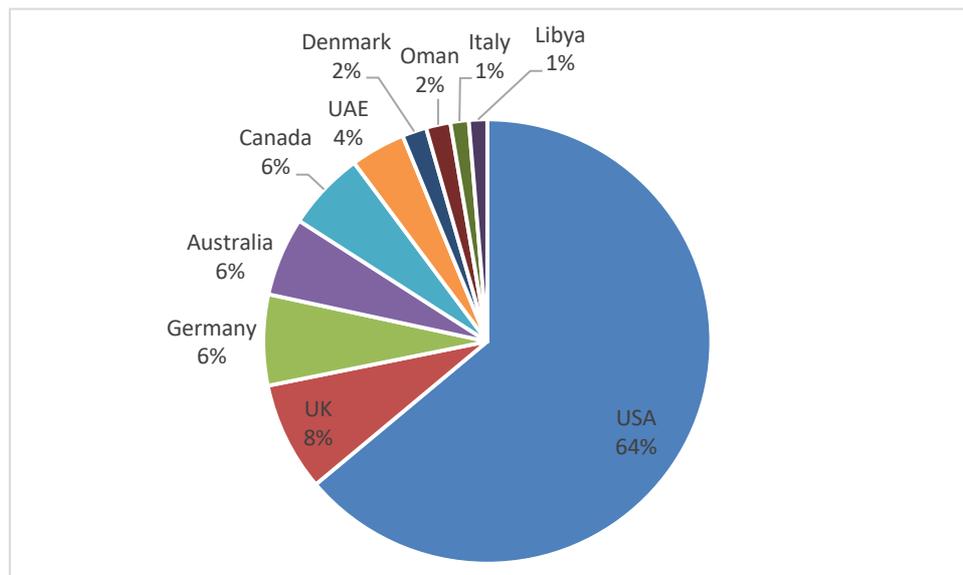
The United States of America is the largest export destination of Imitation Jewellery exported from Pakistan in the year 2020 followed by United Kingdom and Germany (see table below). Imitation jewellery manufacturers from Pakistan are looking to develop new export markets across the world. The exports to United Kingdom, Germany, Australia and Italy are on rise during the recent years. These markets will open new avenues of exports of Imitation Jewellery from the country.

Table 4: Pakistan's Top 10 Export Destinations – Imitation Jewellery (HS Code: 7117)

Importers	Export Value in US \$ '000'				
	2016	2017	2018	2019	2020
United States of America	223	34	26	16	145
United Kingdom	20	48	6	10	18
Germany	5	15	19	17	15
Australia	0	15	1	2	13
Canada	1	1	4	0	13
United Arab Emirates	13	32	11	16	9
Denmark	0	0	0	0	4
Oman	1	0	0	10	4
Italy	15	3	4	1	3
Libya	0	0	0	0	3

Source: Trade Map

Figure 8: Pakistan's Top 10 Export Destination's Share in 2020 (HS Code: 7117)



Source: Trade Map

Pakistan's Imports of Imitation / Artificial Jewellery

Pakistan has witnessed a steady decrease in the imports of Imitation Jewellery over the last 5 years, i.e. the imports have been substantially decreased from US \$ 13.755 thousand in 2016 to US \$ 6.14 thousand in 2019 and US \$ 3.62 thousands in 2020. The decrease in the year 2020 can be attributed to Covid-19 pandemic, but there is a continual decreasing trend in previous years as well. It reflects that local manufacturing of Imitation Jewellery has drastically increased that might have resulted in decreasing trend of imports, which seems a good sign for the local imitation jewellery manufacturing sector.

Figure 9: Pakistan’s Import of Imitation Jewellery US \$ ‘000’

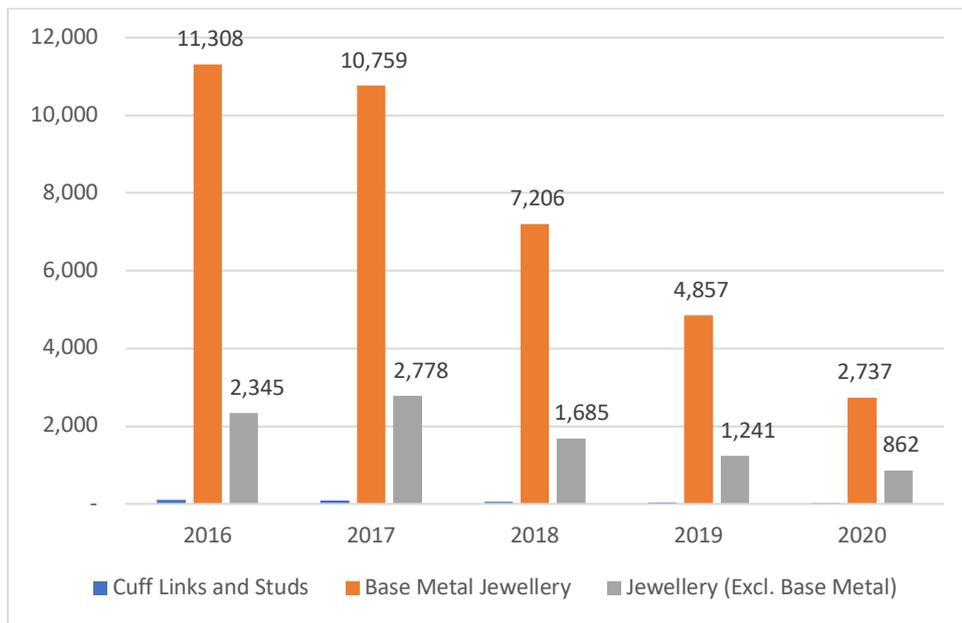


Source: Trade Map

Pakistan’s Import Product Mix of Imitation Jewellery

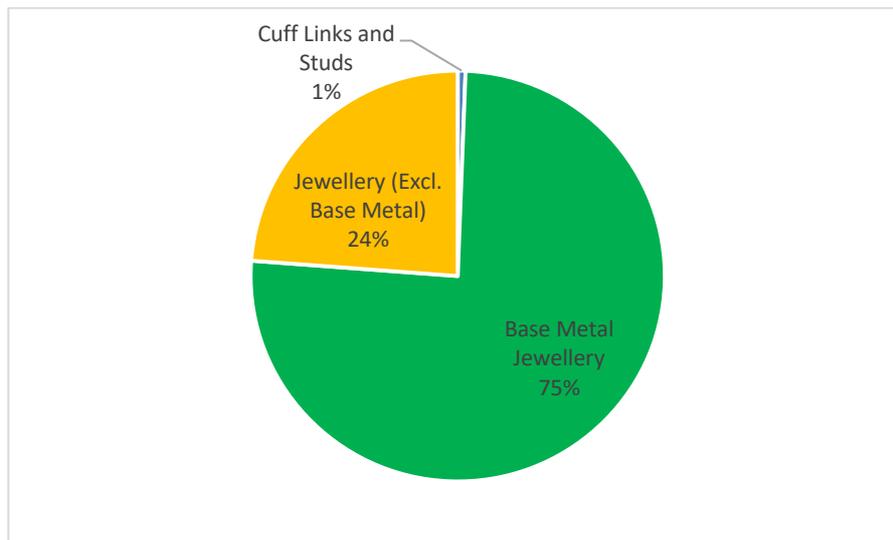
Metal Base Jewellery dominates the product mix of Imitation Jewellery imported by Pakistan with 75% share in overall imports. It follows the world export pattern of imitation jewellery trade. The graphical representation of Pakistan’s Import Product Mix is exhibited below.

Figure 10: Pakistan’s Import Product Mix Trend US \$ ‘000’



Source: Trade Map

Figure 11: Pakistan's Import Product Mix Share in in 2020



Source: Trade Map

Pakistan's Import Trading Partners

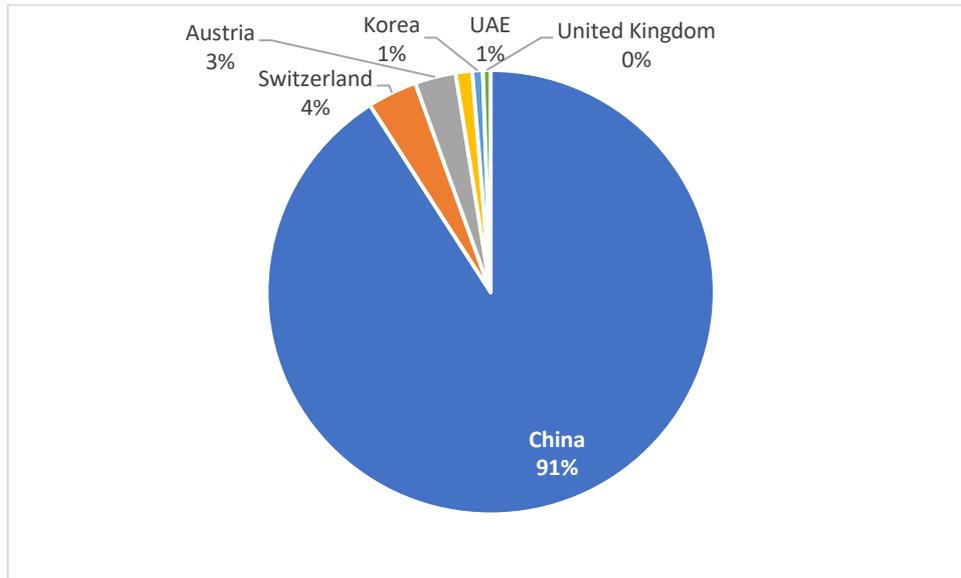
China is the largest importer of Imitation Jewellery to Pakistan followed by Switzerland and Austria. The overall share of Chinese imports to Pakistan during the 2020 was 91%. Overall, there is decreasing trend in Pakistan's import of Imitation Jewellery.

Table 5: Pakistan's Top 10 Import Trading Partners – Imitation Jewellery (HS Code: 7117)

Exporters	Export Value in US \$ '000'				
	2016	2017	2018	2019	2020
China	8587	7944	5559	4073	3261
Switzerland	68	7	0	178	129
Austria	67	242	170	288	106
United Arab Emirates	188	204	142	84	43
Korea, Republic of	6	8	9	17	27
United Kingdom	122	141	70	77	20
Hong Kong, China	114	89	36	21	9
Turkey	437	38	90	6	9
Bahrain	0	0	0	0	8
Germany	1	60	3	2	3

Source: Trade Map

Figure 12: Pakistan's Top Import Trade Partners in 2020 (HS Code: 7117)



Source: Trade Map

4. Duties and Tariffs in Pakistan on Imitation Jewellery

Following duties and custom tariffs are applicable on Import of Imitation Jewellery in Pakistan.

- Custom Duty – 11%
- Regulatory Duty – 17%
- Sales Tax – 17%
- Income Tax – 11%
- Additional Custom Duty – 2%

17% Sales Tax is also applicable in case of export of Imitation Jewellery.

Source: WEOC, Government of Pakistan

5. Prominent International Trade Fairs for Imitation Jewellery

NAME OF TRADE FAIR	FREQUENCY	LOCATION	DURATION
ISTANBUL JEWELRY SHOW	Twice a year	Istanbul (Turkey)	
BASELWORLD	Annual	Basel (Switzerland)	5 days
BIJOUTIFUL	Annual	Nîmes (France)	
LA SPRING CASH & CARRY GIFT SHOW	Twice a year	Los Angeles, CA (USA)	
FASHION WORLD TOKYO	Twice a year	Tokyo (Japan)	3 days
TIME TO SUMMER	Annual	Togliatti (Russia)	5 days
SUPER LEISURE LIFE SHOW	Annual	Kaohsiung (Taiwan)	3 days
JIS EXCHANGE LAS VEGAS	Annual	Las Vegas, NV (USA)	
JAA AUSTRALIAN JEWELLERY FAIR	Annual	Sydney (Australia)	3 days

ABILMENTE ROMA	Annual	Rome (Italy)	
IIFJAS - INDIA INTERNATIONAL FASHION JEWELLERY & ACCESSORIES SHOW	Annual	Mumbai (India)	
SPRING SEASONS	Annual	Hong Kong (Hong Kong)	

