

# PLATINUM JEWELLERY MARKET SET TO GROW IN 2015 DRIVEN BY EXPLOSIVE GROWTH IN INDIA

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[London, 08 April 2015]. Platinum Guild International (“PGI”) today published the findings of its second annual Retail Barometer. The Barometer, conducted by independent platinum market experts and industry analysts, reveals the consumer retail sales data of platinum jewellery in 2014 and crucially projections for 2015.

The Barometer gives a unique view of platinum retail sales. Platinum jewellery is the second largest consumer of platinum in the world (35%) after the autocatalyst market (36%).

The research survey covered over 400 jewellery retail companies with close to 40,000 retail outlets in the four main international markets of China, India, Japan and the USA. The research was conducted between January and February 2015.

## **Key findings:**

- Retailers anticipate that in 2015 the retail market will grow by 2.3% in ounces v 2014.
- In 2015, India is expected to grow by a further 23%, the USA by 7% and Japan by 1%. The Chinese market is expected to be flat.
- In 2014 total platinum retail sales in ounces across the four key markets was flat.
- India platinum retail sales grew 28%, the USA grew by 8% and Japan grew by 3%.
- In China (the largest platinum retail market) platinum retail sales fell by 3% driven by the economic slowdown.

Huw Daniel, CEO of PGI, commented:

“Continued growth in the platinum jewellery market is important, as the jewellery category represents 35% of all global demand for platinum. 2015 is expected to deliver higher growth and clearly there are concerns about the Chinese market, but PGI have plans in place this year to address the challenges and to capitalise on the latent demand. India is very exciting and PGI is bullish about the prospects there, particularly in the light of the launch of the new bridal segment, Platinum Evara.”

## **China**

The retail trade estimate that in 2015 the Chinese market will be flat, driven by the weaker economic growth and increased competition in the jewellery market. China, the dominant jewellery market, representing 69% of retail sales, reported a decrease of 3% in 2014; gem-set platinum showed a double-digit increase but there was a decline for plain platinum jewellery.

PGI’s initiatives in the bridal sector, working with the major retail chains, showed growth, but this did not compensate for the decline in non-bridal segments.

Philip Klapwijk from Precious Metal Insights, who supervised the China Barometer, commented:

“Plain platinum jewellery is facing headwinds these days in the Chinese market. In contrast, bridal continues to be solid and, most importantly perhaps for the future of demand, gem-set is expanding very strongly, albeit from a still relatively low base.”

## **India**

India is projected to grow by a further 23% in 2015. India, starting from a lower base than China, has experienced a compounded annual growth of 80% in the last two years. The result was particularly impressive as 2014 had been a difficult year for the Indian retail trade, with weak sentiment driven by May 2014 General Election, a liquidity crunch, and the poor growth of the gold market. PGI's strategic retail partners outperformed the general trade, returning a growth of 33% during 2014.

The growth in India is largely attributed to more sophisticated advertising and promotion as platinum becomes more 'mainstream'. Many retailers, for example, have repositioned platinum counters to be more central in their stores. Mens' jewellery, in the form of chains and bracelets, was particularly successful.

PGI launched a new bridal brand called Platinum Evara in December 2014 which targets gifting at the wedding. The initial response has been particularly positive and should contribute to strong growth figures for 2015.

## **Japan**

In 2015, the Japanese market is expected to see moderate growth of 1% (2014: 3.3%), as the trade remain cautious.

The sales tax increase which took place in April 2014 impacted the market, with very strong sales in Q1, and decline in Q2, but with recovery through Q3 and Q4. Platinum jewellery sales exceeded the total jewellery market growth in 2014.

In 2014, PGI's initiatives with the main retail players were a contributory factor in the good growth. New platinum programmes were launched with some of the contemporary chains, which contributed to increased consumer awareness of platinum jewellery.

## **USA**

The US market is expected to grow 7% in 2015 (2014: 8%), supported by the introduction of affordable jewellery price points, increasing demands from millennial consumers, the recovery of the diamond engagement ring market, where higher ticket items are normally produced in platinum, and the comparatively low platinum price.

PGI launched co-operative marketing programmes with some of the major chains, and platinum jewellery has consequently developed a much greater presence in the market. The macro economic trends in 2014 were also positive.

## **NOTES TO EDITORS:**

For further information contact:  
Nicholas Graham Smith  
PGI UK Ltd.

+44 207 841 1232

### **About the Retail Barometer**

The Retail Barometer is an annual report by PGI specifically analysing retail sales and trade sentiment for the forthcoming year in the four key international platinum jewellery markets of China, India, Japan and USA. The research was conducted in January and February 2015 from a large sample of platinum retail jewellers and was independently analysed and reported by specialist research organisations in each market.

### **About Platinum Guild International**

Platinum Guild International (PGI) was founded in 1975 and is a trade organisation supported by the major South African platinum producers. PGI has specialist teams dedicated to developing demand for platinum jewellery through consumer and trade facing programmes in the four key jewellery markets of China, India, Japan and USA.