

## Chinese platinum jewellery fabrication is growing rapidly as consumers turn away from expensive gold

Chinese platinum jewellery fabrication is showing signs of life after a decade long downturn. In 2024, China's platinum jewellery reported 1% demand growth. However, with ten new platinum jewellery showrooms opening in Shuibei, China, so far in 2025, forecasts for China's platinum jewellery fabrication demand have been revised upwards from 5% growth originally to 15% year-on-year growth to 474 koz in 2025f.

After peaking in 2013, the platinum jewellery market in China saw continued demand erosion through 2023. Declining demand was aggravated by the falling platinum price, fewer marriages, wide buyback spreads and improvements in 24 carat gold jewellery design that appealed to China's quasi-investment consumer landscape. While the exceptional rally in gold prices has eased slightly, the price remains ~15% higher than the average for Q1'25 when Chinese demand for gold jewellery declined by 32% year-on-year (Fig. 1) as the high prices impacted consumer buying. Facing weaker demand and high inventory holding costs, gold jewellery businesses are proactively liquidating high value gold inventory and transitioning into platinum jewellery where margins are typically higher. So far in 2025, around ten new platinum jewellery showrooms have opened in China's Shuibei region of Shenzhen. This is an effective tripling in the number of platinum orientated showrooms.

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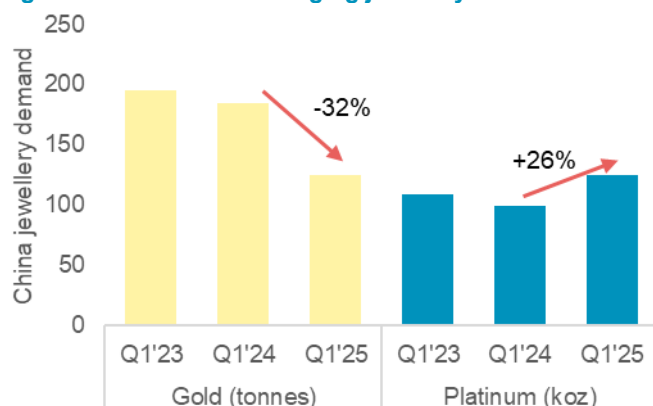
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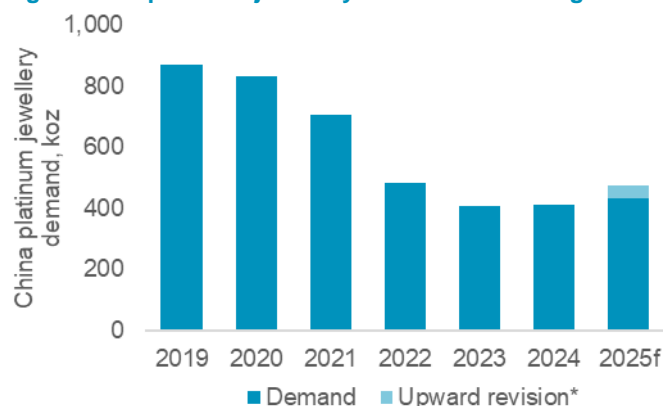
30 May 2025

**Fig 1. China recorded diverging jewellery trends in Q1'25**



Source: World Gold Council, Metals Focus, WPIC Research

**Fig 2. China platinum jewellery fabrication is rising**



Source: Metals Focus, WPIC Research, \*upward revision to jewellery demand in May vs. March Platinum Quarterly publications

Shuibei represents around 90% of China's wholesale platinum market and is the conduit into jewellery retail channels. Each showroom is said to hold between 100 kg and 500 kg (~3-16 koz) of platinum jewellery inventory. Notably, the speed at which wholesalers have transitioned into platinum has caught some fabricators off guard with Dingyuan having to suspend new orders in late April 2025 as its orderbook exceeded its fabricating capacity. Encouragingly, Chinese platinum imports reached a 12-month high in April 2025 of 371 koz (Fig. 3). Moreover, Shanghai Gold Exchange (SGE) volumes increased steadily throughout Q1 2025 (Fig. 4) despite firm pricing and SGE volumes historically being inversely correlated to price

Platinum Guild International (PGI) reported its partner sales grew 50% year-on-year in China during Q1 2025 which is double the pace of total Chinese growth (+26% year-on-year) reported in our latest *Platinum Quarterly* ([link](#)). We note that if the wholesale demand is sustained by consumer demand, there is upside to our 2025f jewellery forecast of 2.1 Moz (Fig. 7). WPIC has previously highlighted opportunities for gold switching to platinum jewellery ([link](#)). This trend was evident in Q1 data, where ex-China demand growth was driven by switching (Fig. 5). PGI estimates that there is an incremental long-term opportunity of 0.7 - 1.5 Moz for platinum jewellery from switching away from white-gold, underpinned by the US and EU.

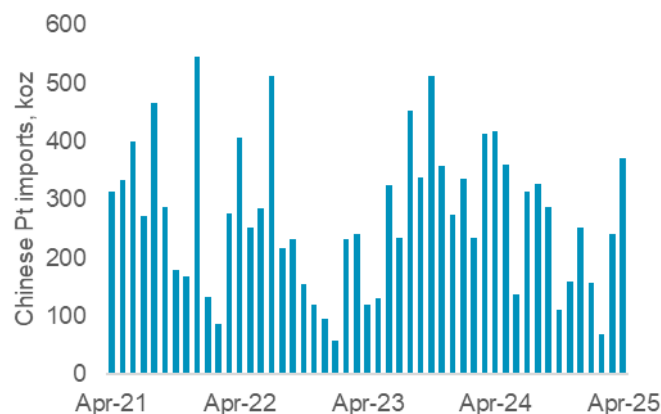
**Chinese jewellery fabricators and wholesalers are capitalising on attractive platinum-gold price differentials to increase their platinum jewellery offerings.**

**Global platinum jewellery demand has recovered from a period of structural erosion in China and is expected to record a second consecutive year above 2 Moz of demand.**

## Platinum's attraction as an investment asset arises from:

- WPIC research indicates that the platinum market entered a period of consecutive supply deficits from 2023 and these are expected to fully deplete above ground stocks by 2029f
- Platinum supply remains challenged, both in terms of primary mining and secondary recycling supply
- Elevated lease rates and OTC London backwardation highlight tight market conditions
- Platinum is a critical mineral in the global energy transition underpinning a key role in the hydrogen economy
- The platinum price remains historically undervalued and significantly below the price of gold

Figure 3: Chinese platinum imports reached a 12-month high in April 2025 at 371 koz



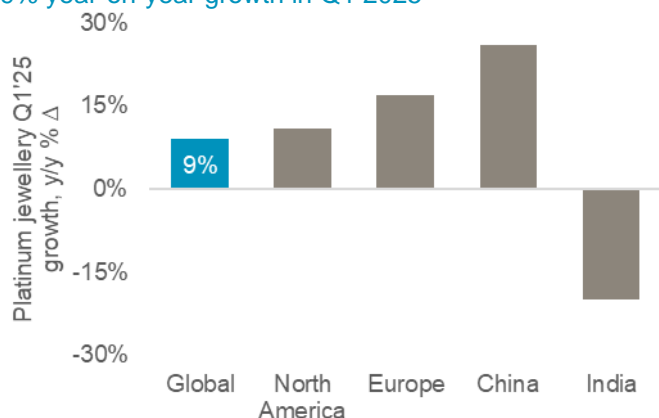
Source: Bloomberg, WPIC Research

Figure 4: SGE traded volumes are typically price elastic, however, Q1 2025 volumes increased without any noticeable platinum price softness



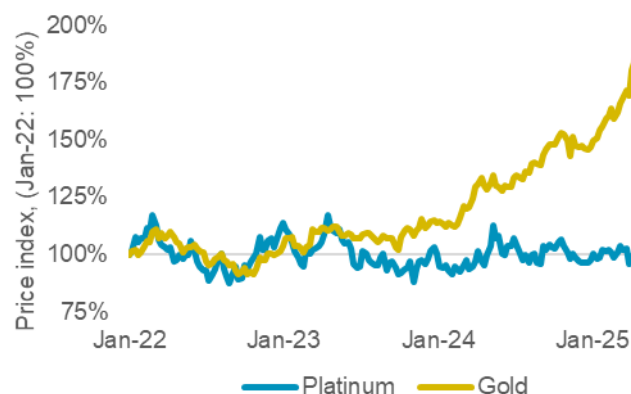
Source: Bloomberg, WPIC Research

Figure 5: Global platinum jewellery fabrication recorded 9% year-on-year growth in Q1 2025



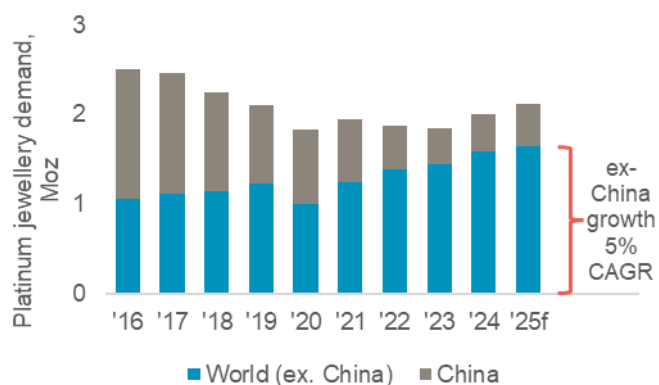
Source: Metals Focus, WPIC Platinum Quarterly

Figure 6: Rising gold prices led some fabricators to switch to platinum with buyers being priced out of gold



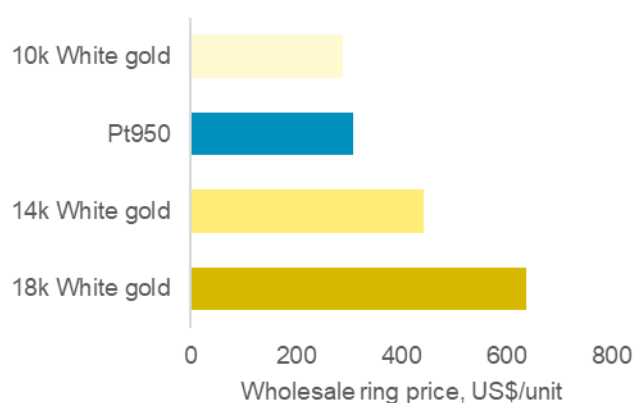
Source: Bloomberg, WPIC research

Figure 7: Whilst China's platinum jewellery demand shrank from 2016-2023, ex-China platinum jewellery fabrication has increased by a 5% CAGR since 2016



Source: SFA (Oxford) 2016-2018, Metals Focus 2019-2025f, WPIC research

Figure 8: Rising gold prices have raised the costs of 14k and 18k white gold jewellery above platinum 950 wholesale jewellery prices



Source: Platinum Guild Internal, WPIC Research, 02 May 2025 prices

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