

*Jewellery image from the new Platinum Moments Collection, launched recently in China by PGI*



# PLATINUM JEWELLERY DEMAND

The platinum jewellery market is showing signs of resilience in the wake of the COVID-19 pandemic, supported by new research into consumer sentiment

Jewellery is the second largest demand segment for platinum, in 2019 accounting for 25 per cent of total annual platinum demand. Platinum's rarity and precious metal status has led to it becoming the world's premier jewellery metal; research has shown platinum to be the metal most associated with love. The expansion of platinum into global jewellery markets is rooted in buyer behaviour in the bridal and gifting sectors, although self-purchasing is becoming an increasing trend.

There is no doubt that demand for platinum jewellery has suffered as a result of the negative impacts of the COVID-19 pandemic, with disruption caused by lockdown-related store closures combining with fragile consumer confidence. In the first half of 2020, platinum jewellery demand was down 27 per cent compared to the first half of 2019. However, the forecast for the full year anticipates some recovery in the second half, with annual demand estimated at 1,813 koz, some 287 koz - or 14 per cent - less than the previous year.

Even prior to the pandemic, platinum jewellery was experiencing strong competition from other precious metals, especially in the key China market which in 2019 accounted for 41 percent of the world's platinum jewellery consumption.

Despite turbulent trading conditions, recent research by Platinum Guild International (PGI) into the effects of the pandemic on consumers suggests that the platinum jewellery market is well positioned to benefit from prevailing buyer attitudes.

As part of its survey, PGI interviewed over 1,000 jewellery buyers and wearers in each of platinum jewellery's four key markets – China, Japan, the US and India. The survey focused on jewellery-specific sentiment, general consumer attitudes and behaviours, as well as the impact of COVID-19 on everyday life, relationships and expectations for economic recovery and jewellery consumption.

Crucially, PGI's findings indicate that, notwithstanding the current time of uncertainty,



*Jewellery image from the new Men of Platinum collection, launched last year in India by PGI*

scope exists for growth in gifting as consumers seek to strengthen bonds with loved ones through meaningful fine jewellery purchases, as well as intending to spend more money than usual on jewellery for themselves.

## Changing consumer trends

With over 40 years of experience in developing the platinum jewellery market, PGI is already tapping into changing consumer trends which have been accelerated by the pandemic, such as the increased importance of maximising digital channels, not only to facilitate online sales, but also to reinforce narratives that reflect the meaning behind the purchase of a piece of platinum jewellery.

In the critical China market, signs of a bounce-back are already underway. China's jewellery sector saw strong recovery in the second quarter compared to the first, with platinum jewellery fabrication increasing slightly by 1 per cent, or 2 koz, year-on-year, thanks to new product launches and promotions.

Demand in the second half of the year is expected to be similar to 2019 levels. The relatively low platinum price, made more attractive by recent strong gains in the price of gold, is also aiding recovery in China, allowing platinum to regain some market share from other jewellery segments, including the pure gold and gold alloy or 'K-gold' segments.

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