



SAUDI EXPORTS

Saudi Export Development Authority

IMPORT SUMMARY REPORT PRECIOUS METALS & JEWELRY ASIA



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Disclaimer

Saudi Export Development Authority "SAUDI EXPORTS" have prepared the Import Summary Reports as a part of its continuous publication on countries. The purpose of this report is to provide a high-level view of Saudi Arabia exports to the countries, based on available public information. Its analysis, perceptions, and anticipations are subject to personal judgment. "SAUDI EXPORTS" is not liable for any consequences caused by the understanding and interpretation of any part of this report. In general, the information in the report present a broad view of the imports environment of this country. Saudi exporters are encouraged to carry out further studies to be updated and more informed on potential opportunities that might be identified in this report.

Reported data as on May 07, 2017 has been used in the report. Twenty-One countries in Asia region were considered in the study namely: Bangladesh, Brunei Darussalam, China, Hong Kong SAR, India, Japan, Kazakhstan, Kyrgyzstan, Macao, Malaysia, Maldives, Mongolia, Nepal, Pakistan, Philippines, Singapore, South Korea, Sri Lanka, Thailand and Vietnam, due to unavailability of data for other countries. Countries which have not reported their data consistently have also been omitted in this report.

SUMMARY



For comments and queries please contact:
Kingdom of Saudi Arabia
Saudi Exports
Saudi Export Development Authority
Telephone: +966 11 874 2000
Fax: +966 11 874 2002
E-mail: EI@saudiexports.sa
P.O. Box 75169, Riyadh 11578
www.SaudiExports.sa

- Imports of Precious Metals & Jewelry products in the Asia region has followed a similar trend as the world. It witnessed high growth from 2011 to 2013 followed by a dip from 2013 to 2015. High price of gold between 2011-13 in part contributed to the increase in traded value between 2011-13 since volume increased marginally.
- The Kingdom experienced a tremendous growth during the same period (2011-15) as it increased its exports to Asia by 135% annually over the last 2 years mainly supplemented by gemstones which grew by almost 450% per year.
- Precious metals and gemstones were the major constituents of the Precious Metals & Jewelry imports.

This report looks into the overall imports of Precious Metals & Jewelry in Asia vis-à-vis the Kingdom's share in the imports. It also outlines the import potentials in Precious Metals & Jewelry product categories such as Precious metals, gemstones, jewelry and watches. Saudi Exporters are encouraged to carry out in-depth analysis for better insight into import potential of any of these product categories.

1. Global Imports

The Precious Metals & Jewelry market saw a see saw growth, between 2011-15. There was an upward trend between 2011-13 and a downward trend between 2013-15, reaching back to the 2011 levels. The industry saw a boom from 2011-13 mainly due to the rise in the price of Gold which reached record levels. Asia continued to dominate the industry grabbing 37% of the market share in 2015, down from 42% in 2011. Demand has risen in Europe up from 24% in 2011 to 34% in 2015.

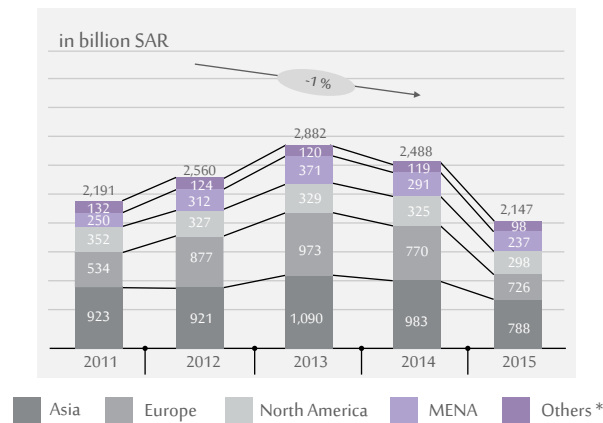


Figure 1: Global imports of Precious Metals & Jewelry

*includes Sub-Saharan Africa, Australia & Oceania, and South America

The figure shows imports of Precious Metals & Jewelry products across the world. The world imports decreased by 1% per year from 2011 and stood close to 2.15 trillion SAR in 2015.

Asian and European countries are the major importers of Precious Metals & Jewelry products. Asia and Europe accounted for more than 70% of the total imports in 2015. Although imports to Europe have increased by 8%, imports to Asia have decreased by 4%.

2. Imports in Asia¹

Asia represents a good mix of developed and developing economies. With countries like India, China & Hong Kong which are traditionally the biggest consumers of Precious metals (Gold and Silver) in the world, it represents a high potential market for the consumption of Precious Metals & Jewelry products. A big share of the demand created by the Asian market is fulfilled by producers within the region and the finished products are even traded outside the region making Asia a net exporter in this industry.

Figure 2 shows Asia region has been a net exporter of Precious Metals & Jewelry products in the past years.

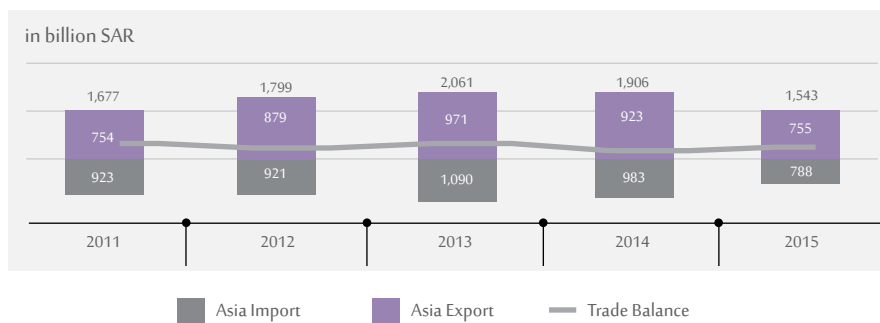


Figure 2: Trade Balance in Precious Metals & Jewelry in Asia

¹Table 1 in Appendix lists the countries in Asia Region



As shown in figure 3 imports of Precious Metals & Jewelry in the Asia region has witnessed a decline of 4% in last 5 years. Over this period, imports to South and South East Asia have declined which has contributed to the overall decline of imports to the region. South Asia's imports declined by 11% per year over the last 5 years.

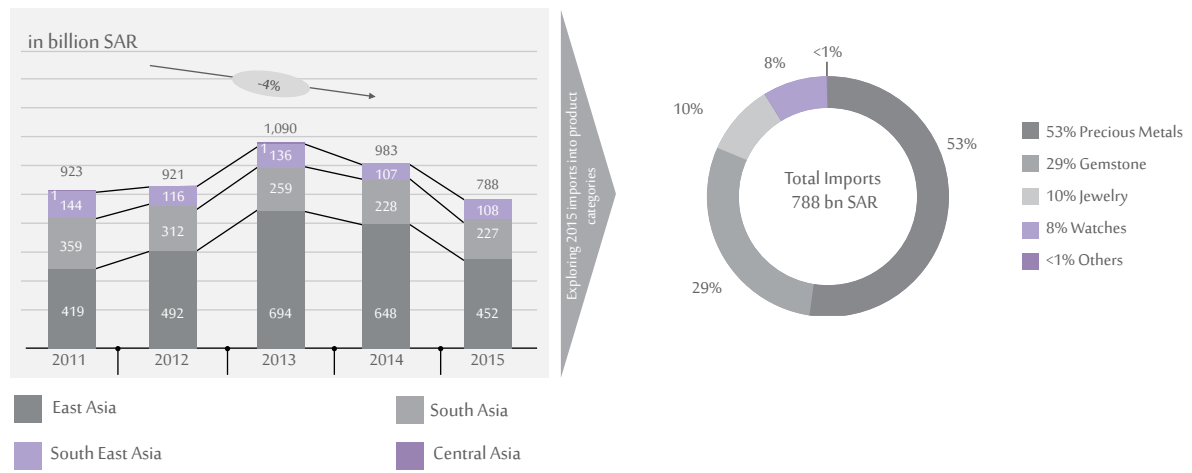


Figure 3: Region wise distribution of Precious Metals & Jewelry imports in Asia

Figure 3 also shows the distribution of Precious Metals & Jewelry products in following main categories – Precious metals, Gemstones, Jewelry, Watches, and others. In 2015, Precious metals accounted for 53% of the total imports in Asia while Gemstones & Jewelry accounted for 29% and 10% respectively.

Figure 4 displays the distribution of Precious Metals & Jewelry imports in Asia by product categories. Precious Metals, the biggest contributors to overall imports in 2015, has witnessed the decline in the period of 2011 to 2015 along with the other major products.

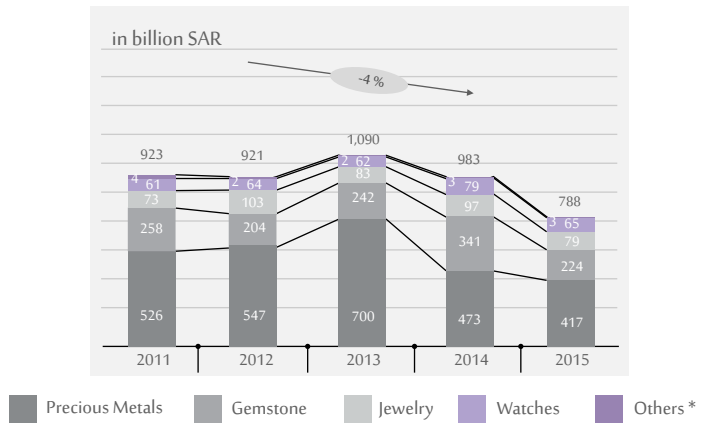


Figure 4: Product wise distribution of Precious Metals & Jewelry imports in Asia

The figure shows the imports of Precious Metals & Jewelry to Asia by product categories. Among the major categories, imports of Precious Metals which contributed 53% of the total imports in 2015 decreased by 6% annually from 2011 to 2015. Imports of all other major product categories to the Asia region stayed more or less steady.

Figure 5 displays the imports of Precious Metals & Jewelry from the Kingdom to the Asia region. In 2015, imports from KSA accounted for a total of 2.4 billion SAR.

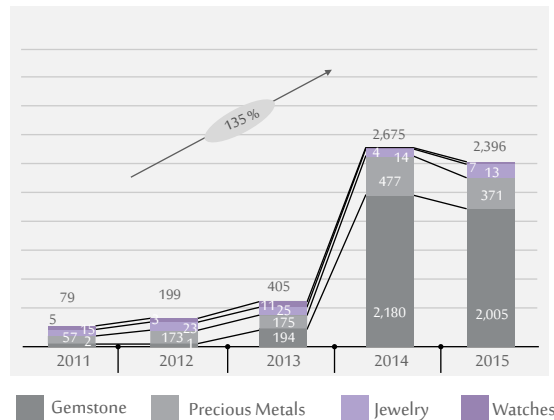


Figure 5: Imports of Precious Metals & Jewelry from KSA to the ASIA region

The figure shows the exports of Precious Metals & Jewelry from KSA to the Asia region. Exports of Precious Metals & Jewelry products increased significantly almost by 135% per year from 2011 to 2015. Most of this growth can be attributed to Gemstones which contributed 84% of total imports and total value in 2015 in this category stood at 2 billion riyals.

3. Precious Metals & Jewelry Categories

3.1 Precious metals

Precious metals include gold, silver, platinum and other precious metals in semi-manufactured or plated on other precious metals. Figure 6 shows the region wise distribution of Precious Metals imports to Asia. It also shows the distribution of major exporters to the Asia region in 2015.

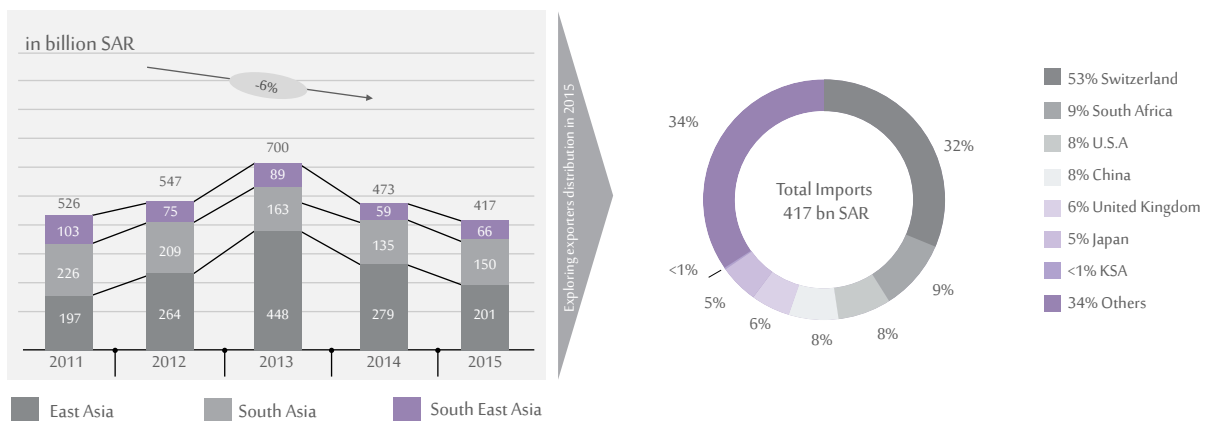


Figure 6: Precious Metals imports in Asia

Between 2011 and 2015, imports in Precious metals witnessed a decline of 6%. Imports in South and South East Asian countries have shown a declining trend, whereas East Asia which accounts for almost half of the imports grew marginally in last 5 years.

Among major exporters, Switzerland, South Africa, and U.S.A. supplied 32%, 9%, and 8% respectively of the total imports in 2015. Other major exporters include China, United Kingdom, and Japan combined contributing 17% of the total imports.

Figure 7 shows the imports of Precious Metals from KSA to Asia.

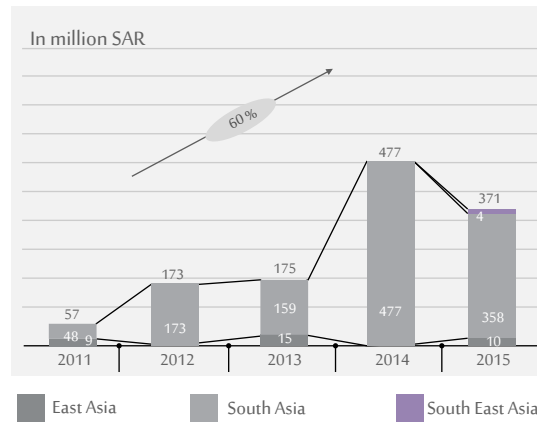


Figure 7: Imports of Precious Metals from KSA to Asia

The figure highlights the distribution of Precious Metals from KSA to Asia. Between 2011 and 2015, imports from KSA have witnessed a cumulative annual growth of 60%.

South Asia has a lion's share in Saudi's exports accounting for 95% of the overall exports to Asia. It has grown at a good pace of 65% per annum since 2011.

Figure 8 shows major Precious Metals importing countries in the Asia region. It includes markets like Hong Kong, India, Thailand and Japan. Imports to most of the countries have declined in the region with only India maintaining its imports in the last 3 years. The Hong Kong market experienced a major decline with the market shrinking by more than half since 2013.

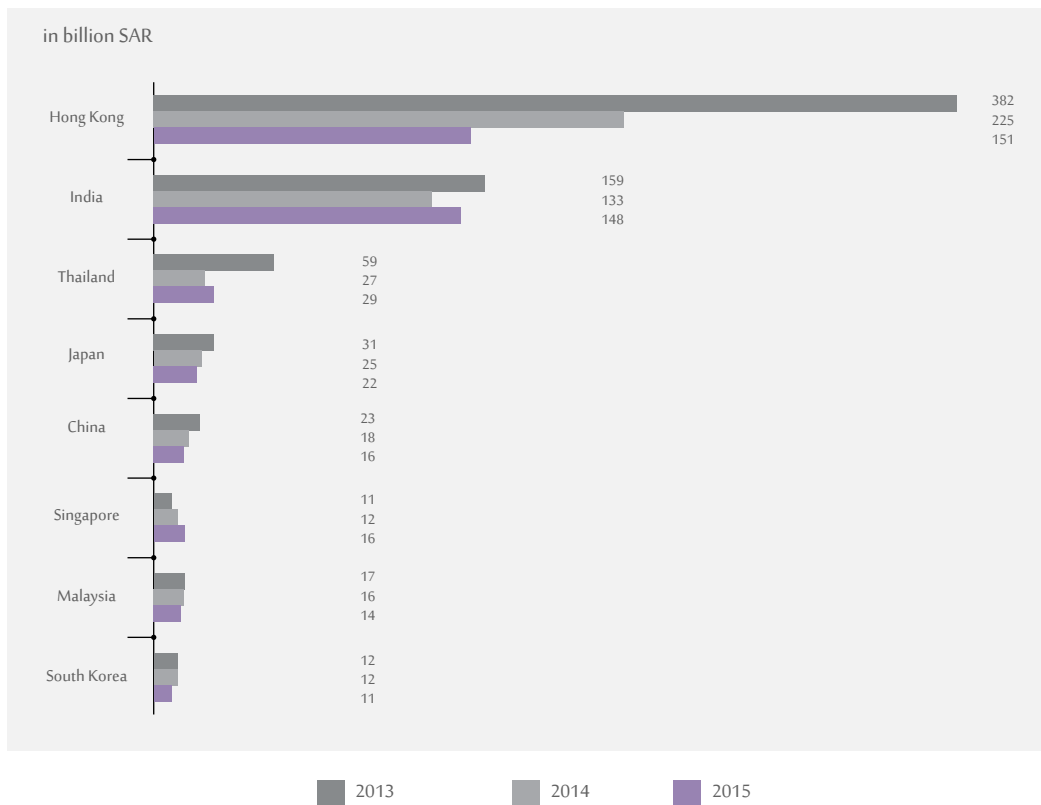


Figure 8: Major Precious Metals importing countries in Asia

3.2 Gemstone

Gemstone products include Pearls, Corals, Diamonds, Precious & semi-precious stones etc. Figure 9 shows the region wise distribution of Gemstone imports to Asia. It also shows the distribution of exporters in the Asia region in 2015.

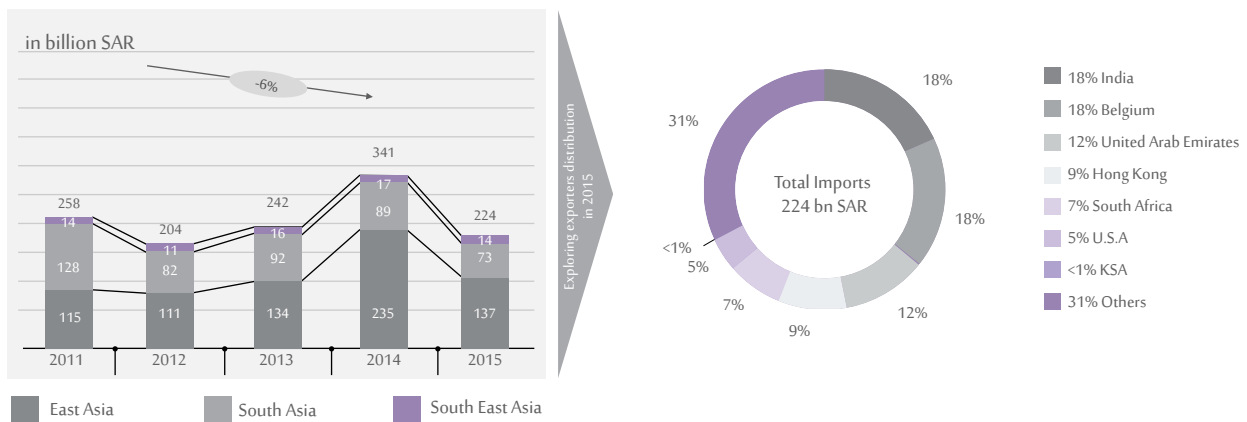


Figure 9: Gemstone imports in Asia

Between 2011 and 2015, Gemstone imports declined from 258 billion SAR to 224 billion SAR. East Asia being the largest contributor to region's imports held a share of 61% in 2015 and has steadily increased every year, growing at 4% per annum from its value in 2011.

Among the major exporters, India and Belgium both hold 18% of the Asian market followed by UAE with 12% of the total imports in 2015. Hong Kong, South Africa and U.S.A contributed 9%, 7% and 5% respectively of the imports in 2015.

Figure 10 shows the imports of Gemstones from KSA to Asia. It displays the imports across East Asia, South East Asia, and South Asia.

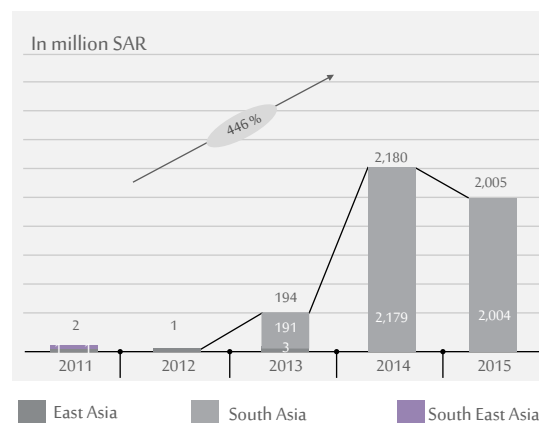


Figure 10: Gemstone importing countries in Asia

The figure highlights the distribution of Gemstones from KSA to Asia. Between 2011 and 2015, imports from KSA have witnessed a tremendous growth of 446%.

KSA almost exclusively supplied gemstones to South Asian countries. In 2014 it became 10 times the value in 2013 from 194 million SAR to 2180 million SAR. It more or less remained at the same level in 2015.

Figure 11 shows major Gemstone importing countries in the Asia region. It includes countries and regions such as Hong Kong, India and China. The imports have been subdued and did not experience very dramatic changes except China in 2014, when it tripled its imports but then came back to the original levels in 2015.

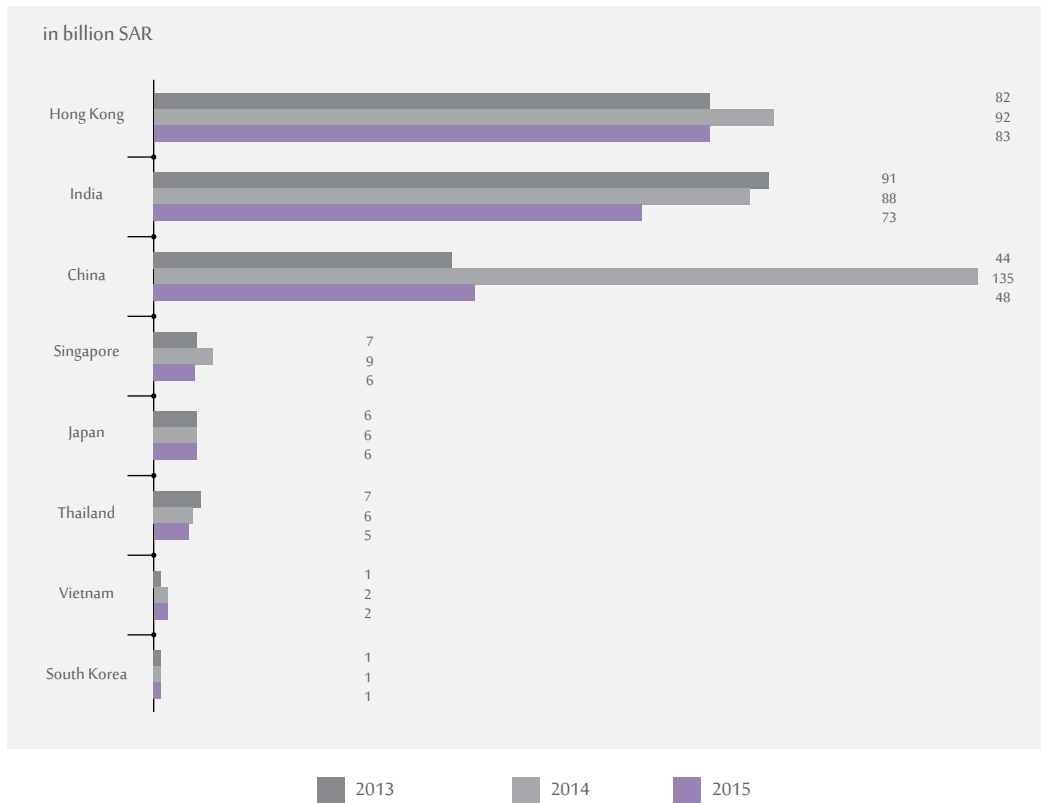


Figure 11: Major Gemstone importing countries in Asia

3.3 Jewelry

Jewelry include Jewelry, parts of jewelry and imitation jewelry. Figure 12 shows the region wise distribution of Jewelry imports to Asia. It also shows the distribution of exporters in the Asia region in 2015.

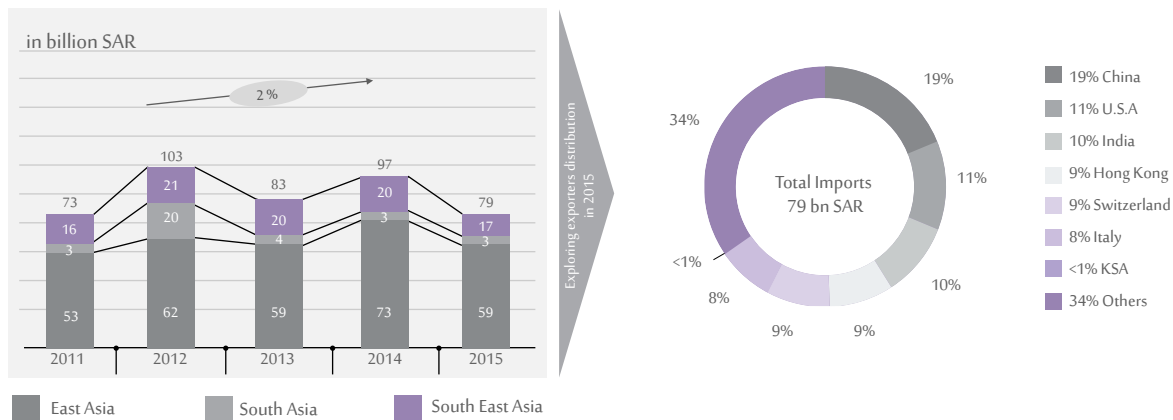


Figure 12: Jewelry imports in Asia

Between 2011 and 2015, imports in Jewelry witnessed marginal growth rate of 2% per year. In 2015, East Asia contributed 75% to the imports and has witnessed a growth rate of almost 3% per annum from 2011 over the last five years.

Among the major exporters, China held a share of 19% followed by U.S.A., India, and Hong Kong with a share of 11%, 10% and 9% respectively of the total imports in Jewelry in 2015. The kingdom held a minority share of less than 1% out of the total.

Figure 13 shows the imports of Jewelry from KSA to Asia. The figure also displays the imports across the sub-regions across Asia.

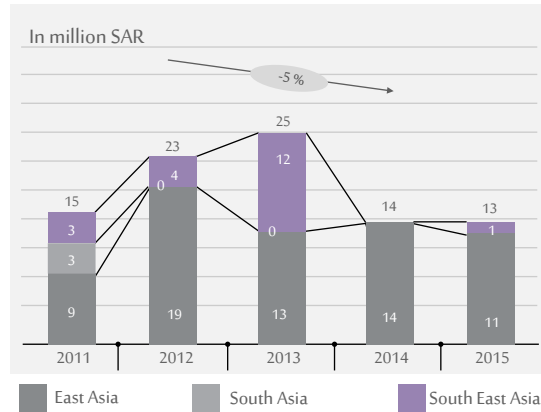


Figure 13: Imports of Jewelry from KSA to Asia

The figure highlights the distribution of Jewelry from KSA to Asia. Between 2011 and 2015, imports from KSA have witnessed an annual decrease of 5%.

East Asian countries imported more than 80% of the total imports from KSA to Asia between 2011 and 2015 except 2013. The imports of South Asian and South East Asian grew from 2011 to 2013 but almost became nil from 2014.

Figure 14 shows major Jewelry importing countries in the Asia region. It includes Hong Kong, Singapore, Japan, China, and Macao. Imports have remained steady from 2013 to 2015.

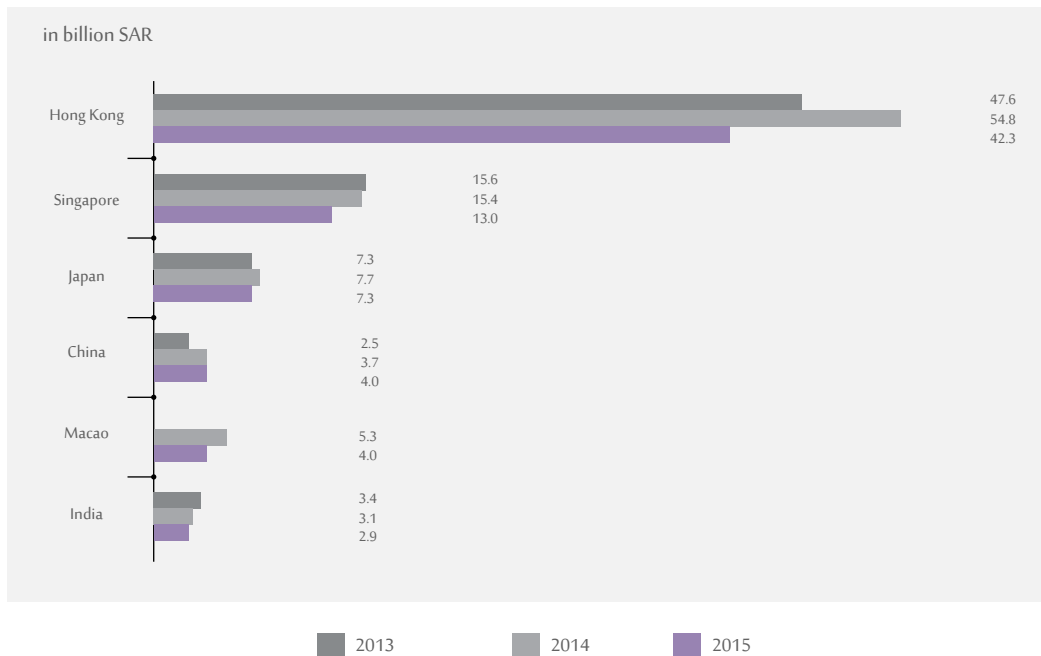


Figure 14: Major Jewelry importing countries in Asia

3.4 Watches

Watch products include Clocks, wrist or pocket-watch, and parts of watches. Figure 15 shows the region wise distribution of Watch products imports to Asia. It also shows the distribution of exporters in the Asia region in 2015.

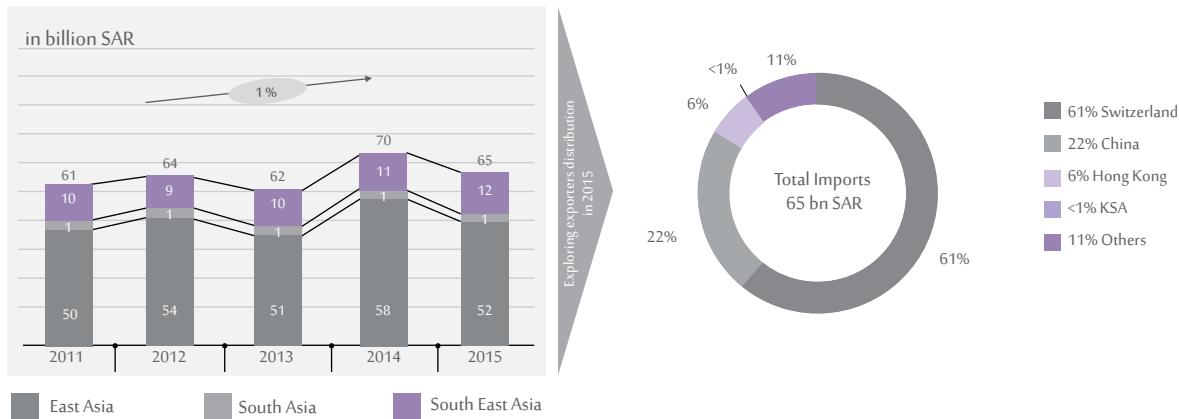


Figure 15: Watches products Imports in Asia

Between 2011 and 2015, imports in Watches witnessed a marginal increase of less than 1%. In 2015, East Asian countries contributed close to 80% of the total imports while South East Asia and South Asia contributed to 2% and 18% respectively in the Asia region. All three of the above major importers witnessed a slow positive growth over the last 5 years.

Among major suppliers to the region, Switzerland alone contributed to 61% of the total imports in 2015 followed by China and Hong Kong with a share of 22% and 6% respectively.

Figure 16 shows the imports of Watches from KSA to Asia. It also showcases the distribution of imports across the different sub-regions.

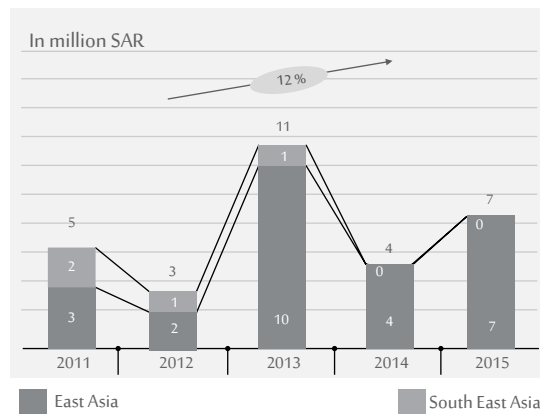


Figure 16: Imports of Watches from KSA to Asia

The figure highlights the distribution of Watches from KSA to Asia. Between 2011 and 2015, imports from KSA have witnessed an annual increase of 12%.

Imports of Watch products to South East Asian countries is decreased to almost nil at the end of 2015 while it increased by 29% per annum to East Asian countries.

Figure 17 shows major Watches importing countries in Asia. Apart from Hong Kong which declined in 2015, all other countries experience slight increase in demand from 2013 to 2015.

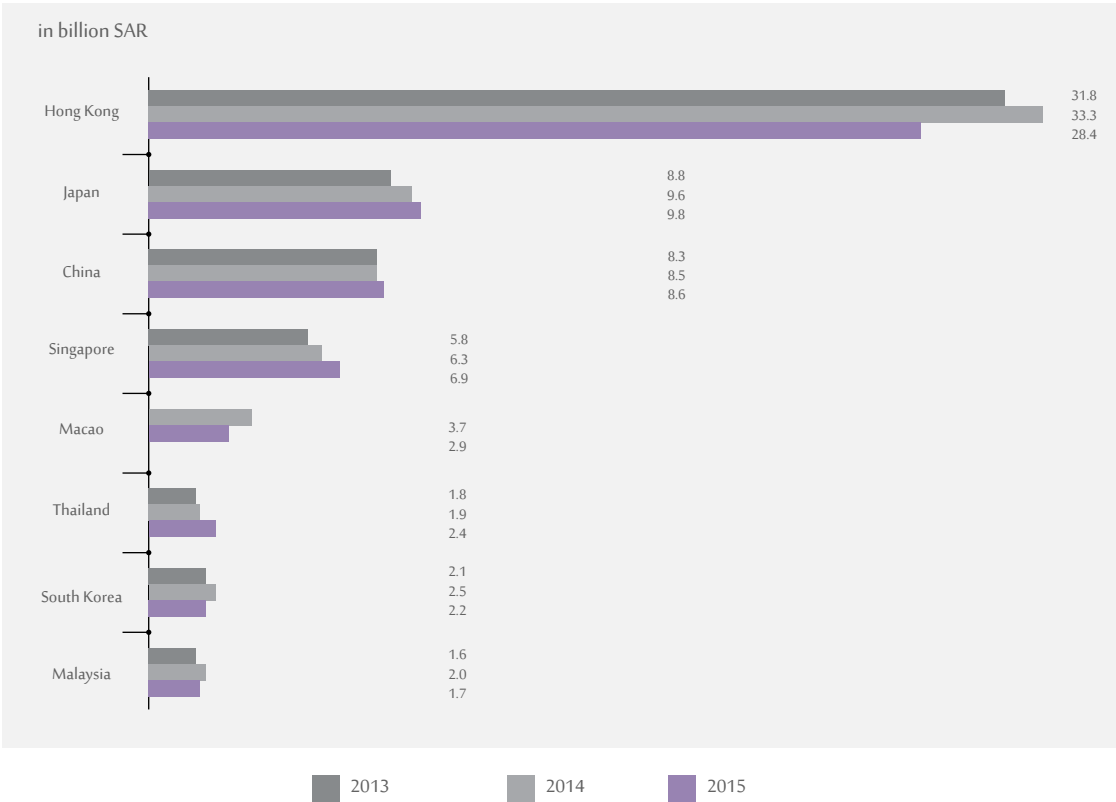


Figure 17: Major Watches importing countries in Asia

4. Established Export Destinations

4.1 India

India with a population of 1.3 billion (2015) is the second most populous country in the world and has a GDP of almost 8 trillion SAR (2015). Figure 20 shows the imports of Precious Metals & Jewelry in India from 2011 to 2015. Imports have declined by almost 11% in past five years. All the major product categories have witnessed a steady decline. Among the supplying countries, Switzerland supplied 32% of the total imports to the country in 2015. Fellow GCC member UAE was second supplying 14% of the demand. UAE was followed by Belgium with 11% of the imports in 2015.

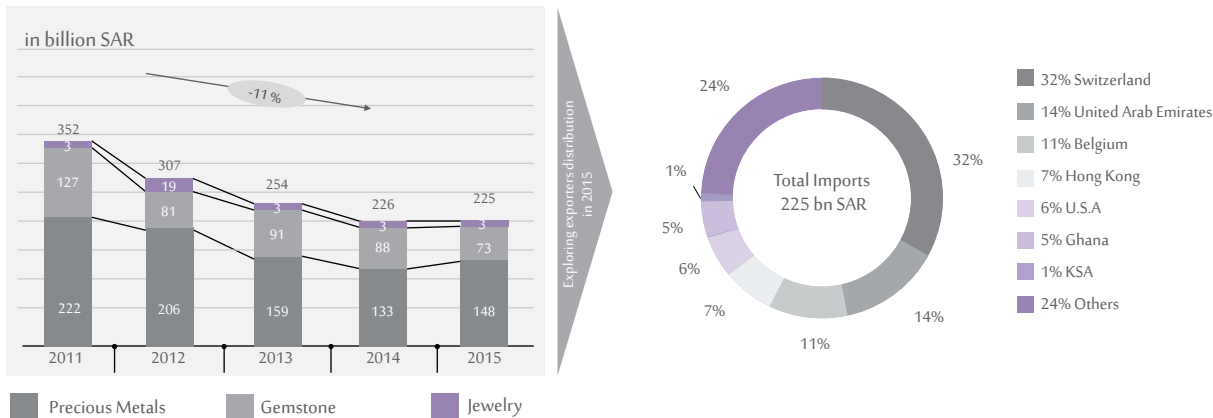


Figure 18: Imports of Precious Metals & Jewelry in India



Figure 19 shows the imports of Precious Metals & Jewelry from KSA to India. The import of gemstones, particularly diamonds increased dramatically from 2013 to 2014. In 2015, imports of Precious Metals & Jewelry products from the Kingdom stood at more than 2.3 billion SAR.

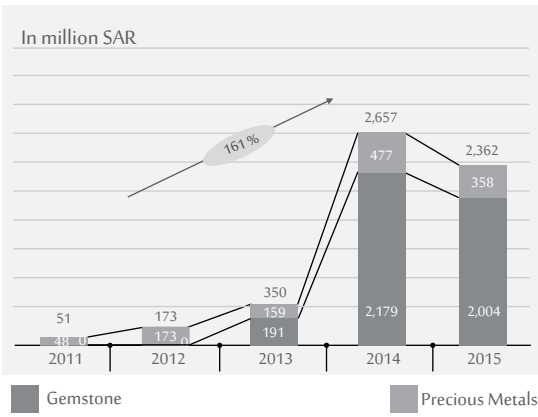


Figure 19: Imports of Precious Metals & Jewelry from KSA to India

The figure shows the distribution of imports of Precious Metals & Jewelry from KSA to India. Between 2011 and 2015, imports from KSA have increased by 161% per year, a sudden increase occurred during the year 2014 which was sustained in 2015.

4.2 Hong Kong

As one of the world's leading international financial centers, Hong Kong's service-oriented economy is characterized by its low taxation, almost free port trade and well established international financial market. Hong Kong has a population of 7.3 million and a GDP of 1.15 trillion SAR (2015 figures). Figure 20 shows the import of Precious Metals & Jewelry in Hong Kong from 2011 to 2015. All major product categories witnessed a slight increase in the imports with Precious metals rising the fastest by over 7% per annum. Among the supplying countries, Switzerland has 21% share, followed by China and India with 15% and 12% respectively. KSA has less than 1% share.

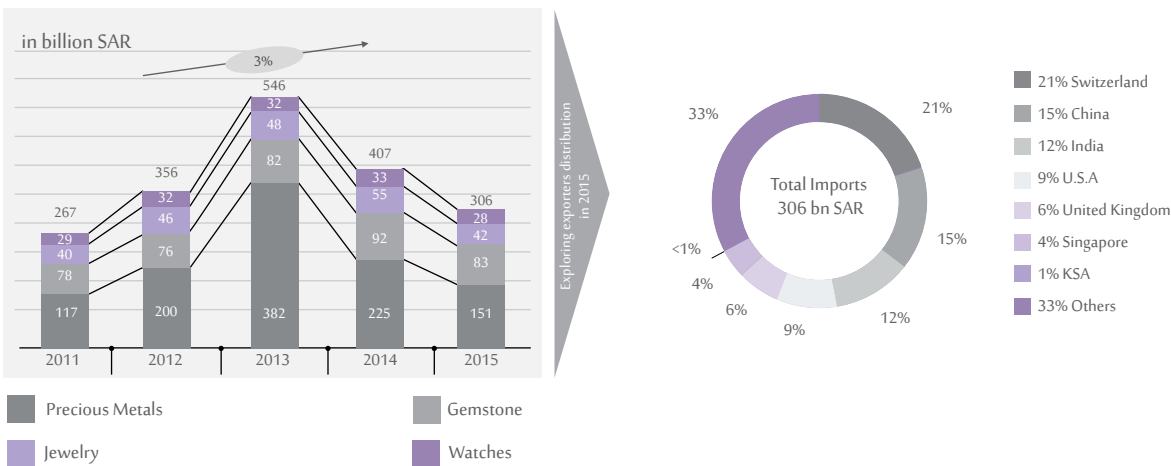


Figure 20: Imports of Precious Metals & Jewelry in Hong Kong



Figure 21 shows the imports of Precious Metals & Jewelry from KSA to Hong Kong. The total imports stood at 19 million SAR with Jewelry contributing to 58% of the total in 2015.

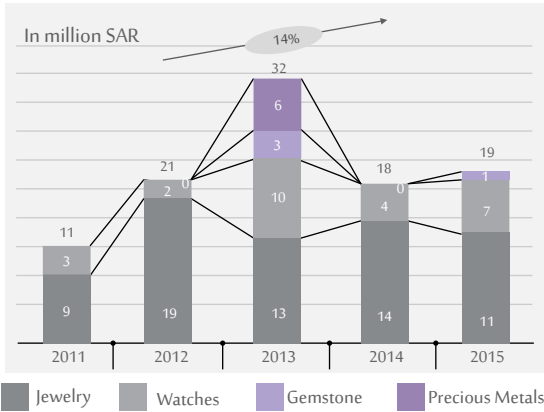


Figure 21: Imports of Precious Metals & Jewelry from KSA to Hong Kong

The figure shows the distribution of imports of Precious Metals & Jewelry from KSA to Hong Kong. Between 2011 and 2015, imports from KSA have grown by 14% per year.

Imports of Jewelry saw an increase of 6% per annum for the last 5 years, it contributed 58% of the total imports in 2015. All other major categories saw an increase in demand as well, with watches growing at 29% per annum.

4.3 Singapore

Singapore is a global financial center with a GDP of 1.1 trillion SAR and a population of 5 million. Figure 22 shows the imports of Precious Metals & Jewelry in Singapore from 2011 to 2015. Imports have grown by 6% per annum in the last five years. Among the supplying countries, Switzerland supplied 18% of the total imports to the country in 2015. It was followed by Indonesia, Japan, and Malaysia with a share of 14%, 11% and 9% respectively of the total imports of 2015.

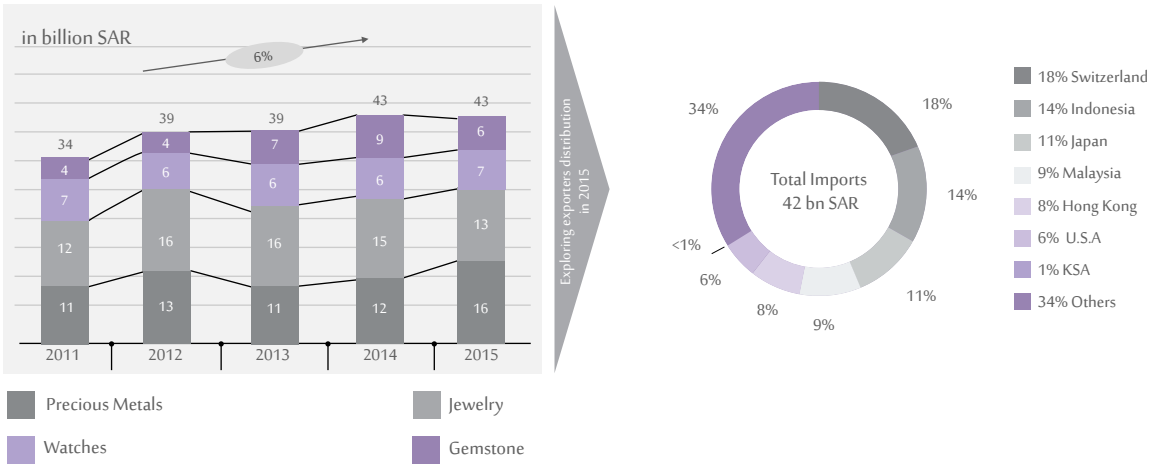


Figure 22: Imports of Precious Metals & Jewelry in Singapore



Figure 23 shows the imports of Precious Metals & Jewelry from KSA to Singapore. Imports to Singapore from KSA have been irregular, showing growth one year but declining the next year.

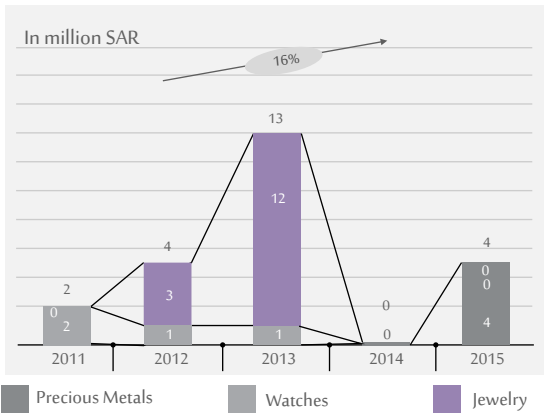


Figure 23: Imports of Precious Metals & Jewelry from KSA to Singapore

The figure shows the distribution of imports of Precious Metals & Jewelry from KSA to Singapore. Between 2011 and 2013, imports from KSA grew from 2 million SAR to 13 million SAR. This was followed by a sharp drop and there were negligible exports in 2014. Exports picked up again in 2015.

Among product categories, Precious Metals represented 100% of the total imports from KSA in 2015.

5. Potential Export Destinations

5.1 Thailand

Thailand having well-developed infrastructure and a free-enterprise economy with a population of 68 million and GDP of 1.1 trillion in 2015, has historically witnessed strong growth which slowed down due to political turmoil during 2013-14. Figure 26 shows the imports of Precious Metals & Jewelry products from 2011 to 2015 to the country. Imports have declined significantly by 16% in the past five years. Precious metal and Gemstone being the major imports have declined steeply by 18% and 11% respectively while import of watches have risen by 17%.

Among major suppliers Switzerland contributed to 35% of the total imports in 2015 followed by Japan, Australia, and Hong Kong at 11%, 9%, and 9% respectively.

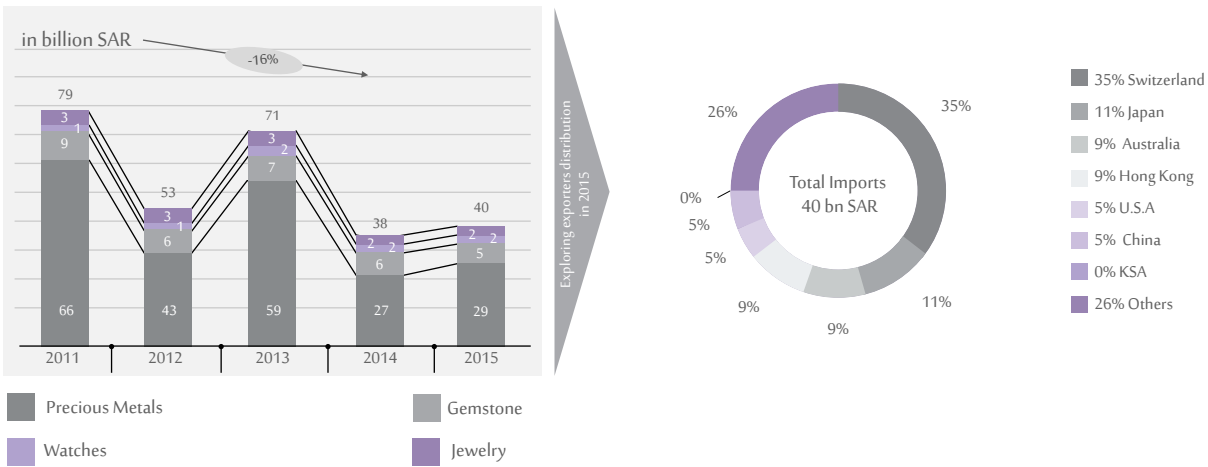


Figure 24: Imports of Precious Metals & Jewelry in Thailand



Figure 25 shows the imports of Precious Metals & Jewelry from KSA to Thailand.

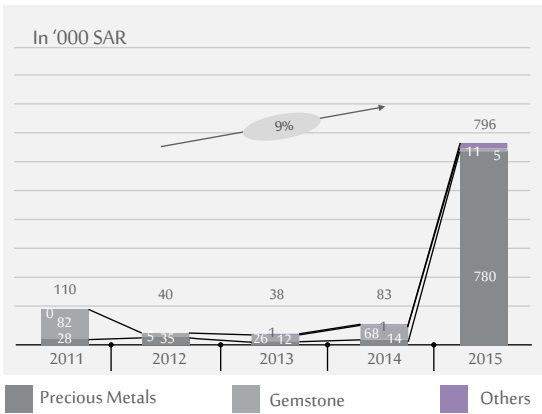


Figure 25: Imports of Precious Metals & Jewelry from KSA to Thailand

The figure shows the distribution of imports of Precious Metals & Jewelry products from KSA to Thailand.

The imports of precious metals have risen significantly from 28,000 SAR in 2011 to 780,000 SAR in 2015 while the imports of other categories have stayed marginal in the last 5 years.

5.2 Sri Lanka

Sri Lanka has witnessed a robust growth over the past years with a current GDP of 308 billion SAR with a population of 21 million. Figure 26 shows the imports of Precious Metals & Jewelry products from 2011 to 2015 to the country. Imports have declined significantly by 38% in the past five years. Gemstones and Precious metal imports have declined steeply while import of Jewelry and watches have risen marginally.

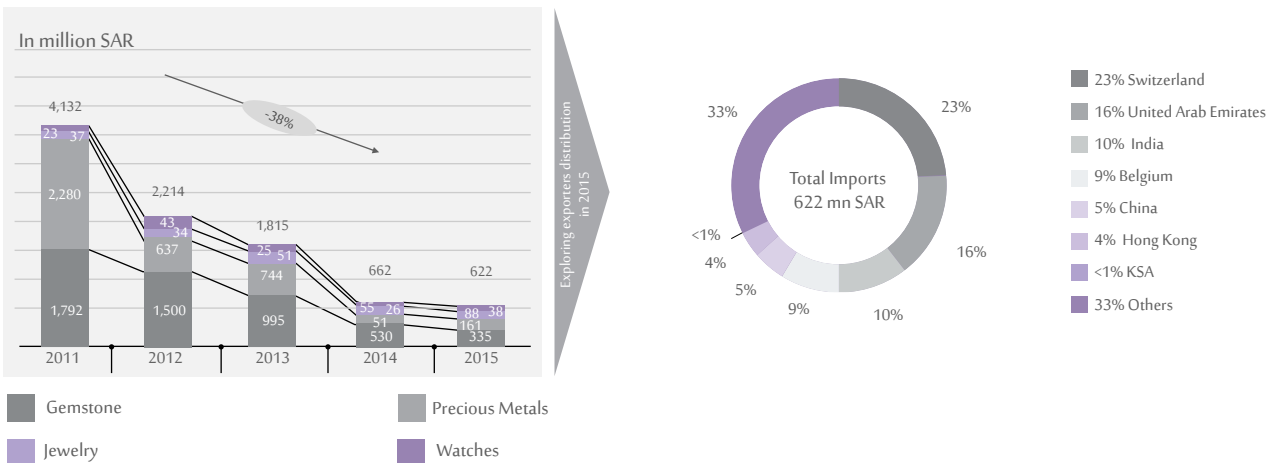


Figure 26: Imports of Precious Metals & Jewelry in Sri Lanka



Figure 27 shows the imports of Precious Metals & Jewelry from KSA to Sri Lanka.

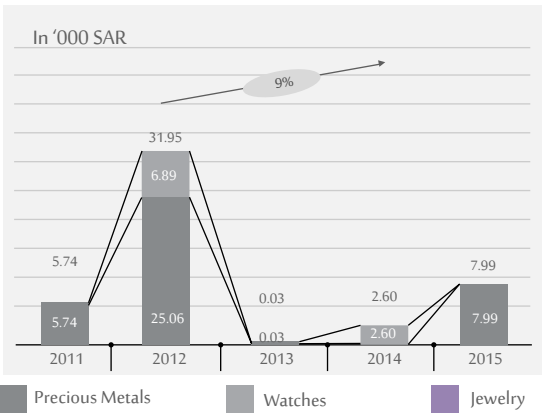


Figure 27: Imports of Precious Metals & Jewelry from KSA to Sri Lanka

The figure shows the distribution of imports of Precious Metals & Jewelry products from KSA to Sri Lanka.

5.3 Pakistan

Pakistan has a GDP of 1 trillion SAR (2015) with a population of 189 million (2015). Figure 18 shows the imports of Precious Metals & Jewelry in Pakistan from 2011 to 2015. Imports have declined by 33% in past five years. Precious metal was the largest contributor to the total imports in 2011 with a share of more than 60% but has declined rapidly both in absolute and percentage of overall imports.

Among the supplying countries, China is the major supplier of Precious Metals & Jewelry products to Pakistan. It constituted 27% to the total imports of the country in 2015.

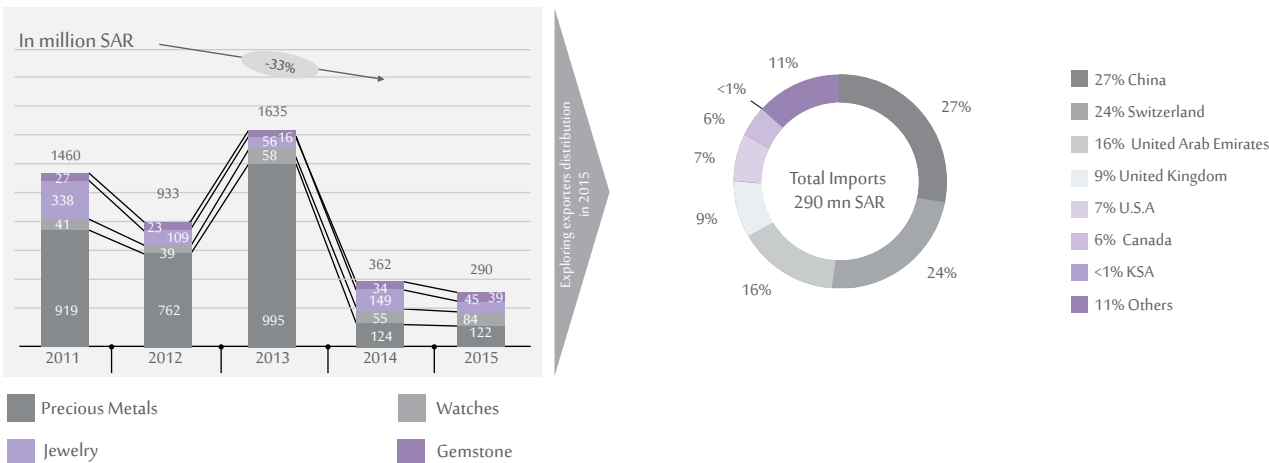


Figure 28: Imports of Precious Metals & Jewelry in Pakistan

Figure 29 shows the imports of Precious Metals & Jewelry from KSA to Pakistan.

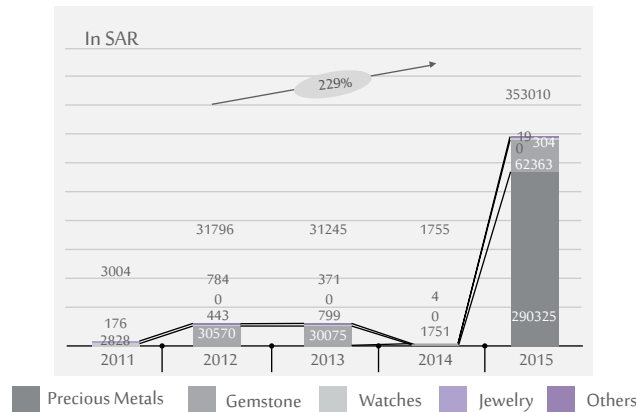


Figure 29: Imports of Precious Metals & Jewelry from KSA to Pakistan

The figure shows the distribution of imports of Precious Metals & Jewelry from KSA to Pakistan. Between 2011 and 2015, imports from KSA increased by 229% per year which was because of sudden rise in the precious metal imports from 2014 to 2015. The figure shows the distribution of imports of Precious Metals & Jewelry products from KSA to Sri Lanka.

5.4 South Korea

South Korea is one of the fastest growing developed countries in the world following the Great Recession with a GDP of 5.16 trillion SAR with a population of 50.6 million. Figure 30 shows the imports of Precious Metals & Jewelry products from 2011 to 2015 to the country. Imports have fell by 5% per annum in the past five years mainly driven by the imports of Precious Metals contributing 69% of the total imports in 2015.

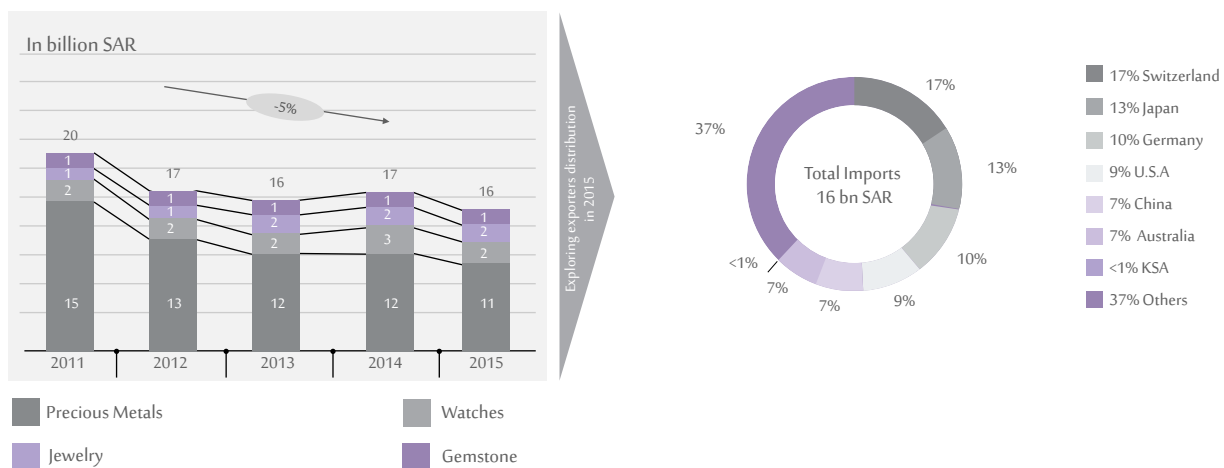


Figure 30: Imports of Precious Metals & Jewelry in South Korea

Among the major suppliers to South Korean market, Switzerland ranked 1st with a share of 17% followed by Japan, Germany, and U.S.A. at 13%, 10%, and 9% respectively.



Figure 31 shows the imports of Precious Metals & Jewelry from KSA to South Korea.

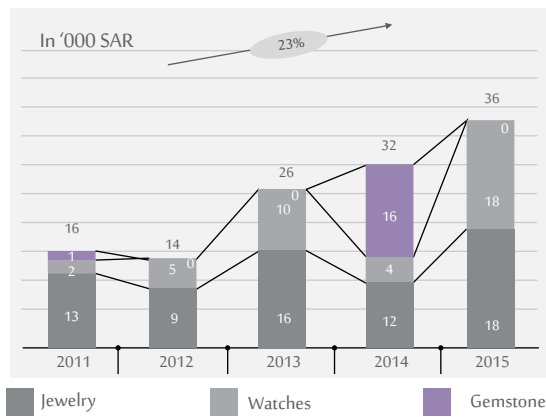


Figure 31: Imports of Precious Metals & Jewelry from KSA to South Korea

The figure shows the distribution of imports of Precious Metals & Jewelry products from KSA to South Korea. Between 2011 and 2015, imports from KSA have increased by an average growth rate of 23% per annum.

5.5 China

China is the largest country in the world by population with 1.3 billion people and second largest in terms of GDP with 41.5 trillion SAR. Figure 32 shows the imports of Precious Metals & Jewelry products from 2011 to 2015 to the country. Imports have risen by 4% per annum in the past five years mainly driven by the imports of Gemstone contributing 62% of the total imports in 2015.

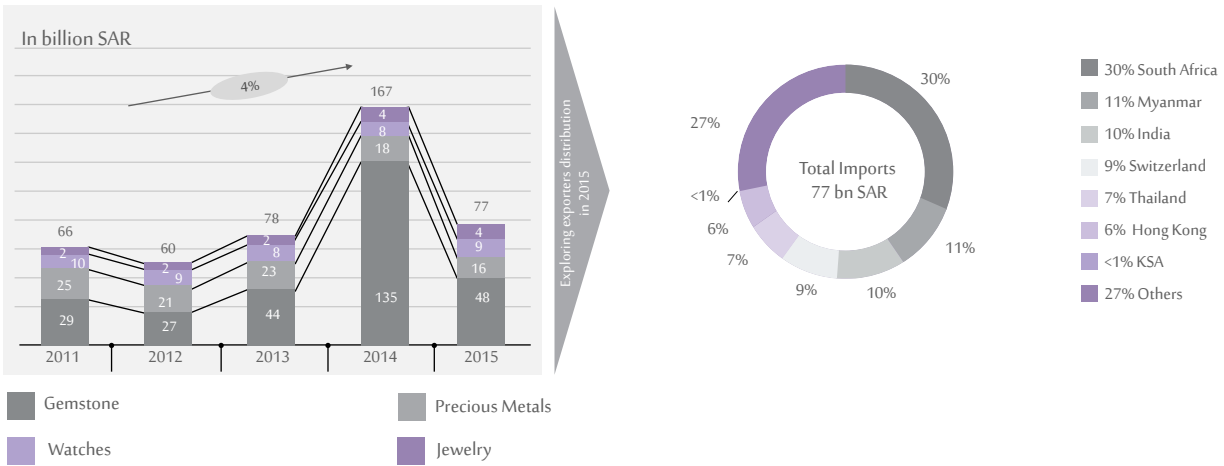


Figure 32: Imports of Precious Metals & Jewelry in China

Figure 33 shows the imports of Precious Metals & Jewelry from KSA to China.

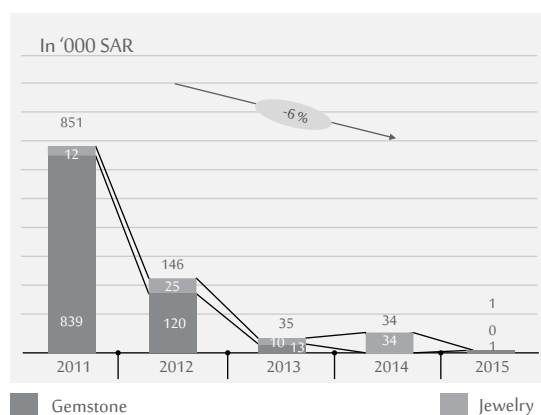


Figure 33: Imports of Precious Metals & Jewelry from KSA to China

The figure shows the distribution of imports of Precious Metals & Jewelry products from KSA to China.

Gemstone which used to stand in ~1 million category in 2011 has fallen close to being nil in 2015 showing a negative growth rate of -80% per annum.

Appendix

Table 1: Distribution of Asian countries*

| Central Asia | East Asia | South Asia | South East Asia |
|--------------|-------------|--------------------------------|-------------------|
| Kazakhstan | China | Afghanistan | Brunei Darussalam |
| Kyrgyzstan | Japan | Bangladesh | Myanmar |
| Tajikistan | Mongolia | Bhutan | Cambodia |
| Turkmenistan | Macao | Sri Lanka | Indonesia |
| Uzbekistan | Hong Kong | Maldives | Malaysia |
| | North Korea | Nepal | Philippines |
| | South Korea | Pakistan | Timor Leste |
| | | India | Singapore |
| | | British Indian Ocean Territory | |

* It should be noted that in some cases not all countries report trade statistics or do not trade in specific products, therefore, regional coverage could possibly reflect selective countries though not all of them.