

BRIGHT SPOTS AND CHALLENGES IN THAILAND'S JEWELLERY TRADE

泰国业界预视2020年趋势

Thailand's gemstone and jewellery sector ended 2019 on a high note, having concluded the year with successful events such as the ICA Congress and the first International Chanthaburi Festival. JNA asks industry experts about trends and developments that could influence the sector in 2020. 中美贸易战、培育钻石涌现、新生代市场带来的挑战与机遇，这些关乎全球经济的议题对泰国业界有何冲击？该国多位业者与《JNA亚洲珠宝》分享灼见，并预视本年行业多项挑战与机遇。

| Isabella Yan |

Loose emeralds. Photo credit: Bonas

Coloured gemstones and finished jewellery are among Thailand's top-performing export products, accounting for a 6.99 per cent share in the country's gross exports in 2019.

Data from the Gem and Jewellery Institute of Thailand (GIT) showed that overall gem and jewellery exports (excluding gold) rose 6.68 per cent in the first nine months of 2019 from 2018.

Shipments to major markets such as Hong Kong and the US however fell by 3.93 per cent and 7.98 per cent, respectively, due to global economic and political challenges such as the US-China trade war and the social unrest in Hong Kong.

Weighing in on these developments, industry stakeholders identified major issues that could affect Thailand's jewellery sector moving forward.

Trade war

The protracted US-China trade row as well as a strong Thai baht could pose further threats to gemstone traders and jewellers. Any development on this front is being monitored by the jewellery trade.

Prida Tiasuwan, founder of Thailand-based Prada Group, said a massive trade diversion will likely boost Thai exports to the US. "China has a lot of empty capacity due to business loss with the US, and will be hungry to go for other markets such as Europe, particularly for silver jewellery. What we produce for the US is very different from what's intended for the European market. This means we have to re-evaluate our stock in terms of gemstone colour and sizes. The transition in 2020 will be immense."

Despite slower export growth in 2020 due to continued market volatility, industry leaders remain positive, citing trade redirection, particularly in emerging markets.

Jeffrey Bergman of 8th Dimension Gems said traders are optimistic about expanding their customer base in China amid the economic slowdown since there is still huge growth potential in this sector.



International Chanthaburi Festival jewellery fashion show

Henry Ho, president of the Jewelry Trade Center (JTC) in Bangkok, commented, "The overall global economy is sluggish and Bangkok is no exception. The industry is going through a transformative process with increased competition and shrinkage. Creativity, innovation, technology and specialisation are key to driving stronger growth."

Lab-grown diamonds

Duangkamol Jiambutr, director of GIT, noted that lab-grown diamonds, which had gained popularity among young consumers in the past year, will slowly replace demand for mined diamonds in some jewellery sectors.

JTC's Ho echoed this sentiment, saying that non-traditional stores and newcomers in the business will use lower-priced lab-grown stones over natural melee diamonds since it's more profitable. He added that some buyers prefer "bling and affordability" and opt for fashion pieces as opposed to fine jewellery.

He also said Thailand could become an alternative diamond hub in Asia owing to political challenges in Hong Kong.

Tiasuwan meanwhile stated that lab-grown diamonds, which are less expensive and can be available in different colours, may also affect the coloured gemstone sector.

"We should adopt the diamond industry's approach that natural coloured gemstones are not infinite. Gemstone industry players have to come together and promote natural gemstones as a whole," he added.

Tightening supply

The Thai industry now mostly relies on imported coloured gemstones. According to Chanthaburi-based gemstone manufacturer and trader Phuket Khunaprapakorn, the sector faces global shortage of raw materials. "With growing demand for rubies, sapphires and emeralds outstripping supply, customers are adjusting their buying behaviour. Many will continue to buy and hold on to their goods."

Bergman pointed out that Chinese jewellers are realising that they cannot expand their retail sales due to lack of supply unless they start promoting colour- and clarity-enhanced rubies and sapphires. Since treated emeralds are widely accepted in the trade, he said "it is only logical and practical to apply the same standards to rubies and sapphires."

Social responsibility, traceability and transparency

As consumers continue to value products from responsible sources, companies are obliged to adopt fair and ethical practices to stay competitive and increase customer confidence. GIT said it will incorporate blockchain technology in its gemstone testing to provide traceability beginning 2020.

Tiasuwan of Prada meanwhile remarked that many companies in Thailand have partnered with the Responsible Jewellery Council (RJC) and adopted



Gemstones on display at the Chanthaburi Festival

a standard code of practice aimed at addressing sustainability issues.

Anthony Brooke, vice president of the Thai Gem and Jewellery Traders Association, for his part, said the association is working with RJC and the World Jewellery Confederation or CIBJO to educate small and medium-sized enterprises in Thailand on social responsibility.

Some however view this growing trend of social responsibility, traceability and transparency as challenging. For instance, the coloured gems supply chain is extremely fragmented and complex compared to that of diamonds, making blockchain implementation difficult.

Brooke, who's also CEO of gemstone miner Richland Resources, commented, "Blockchain is potentially good for large miners. Finding a method for small-scale miners to encompass issues such as costs and technology is a challenge."

Digital technology and online platforms

Digital technology is at the forefront of transforming jewellery businesses, with a greater shift to social media and online platforms to market gems and jewellery. Technology-driven ecommerce has subsequently affected traditional retail stores, which find it hard to compete on all fronts. Omnichannel marketing will become even more important for the gem and jewellery business in the digital era, according to Jiambutr of GIT. She also emphasised using online marketing and payment to further adapt to consumers' fast-paced lifestyles.

Businesses will likewise have to differentiate themselves from the competition through unique gem and jewellery pieces that come with a story as millennials continue to search for greater personalisation.

Auctions and tenders

With tightening supply, tenders and auctions are likely to become an important avenue for traders to route their goods to the market. The International Chanthaburi Gems and Jewellery festival held its first seal-bid auction in 2019. Companies such as international diamond brokerage and tender house Bonas, which is currently building its credentials and expertise in the coloured gemstone sector, also held a tender in Bangkok and is scheduled to hold another one with support from the Department of International Trade Promotion of Thailand (DITP) and Asia Gem Center. DITP commented, "We expect that this activity will increase the number of new clients for both Bangkok Gems & Jewellery Fair and Bonas, and will also enhance the image of the gem and jewellery industry globally."

Novel coronavirus

Amid a rosy outlook, recent events such as the novel coronavirus outbreak, which originated in Wuhan, China in late December 2019, could have potentially grave effects on the jewellery trade.

Gary Roskin, executive director at International Colored Gemstone Association, said international trade shows in Hong Kong were postponed to later dates as exhibitors rushed to join alternative events to sustain sales. Airlines also cancelled flights to and from Hong Kong and China.

Businesses with ties to China will still feel the impact of the coronavirus outbreak long after a cure is found, he added.

Tiasuwan meanwhile cited fewer tourists in Thailand, with consumers around the world generally avoiding shopping districts. This however will bode well for online businesses. "In terms of manufacturing and export, China's production base may be viewed as highly unstable, giving Thailand a chance to benefit from this business diversion," he added.

GIT, for its part, also raised concerns over the dwindling number of visitors from China and other countries in Thailand. Citing industry estimates, it said Thailand will lose roughly THB300 billion (around US\$9.5 billion) in tourism earnings in the first half of 2020.

The number of foreign traders from China, Hong Kong and Europe, who deal with coloured stones in Chanthaburi also dropped. "Thai entrepreneurs are trying to manage their inventory and looking for ways to reduce the impact by offering mass-produced goods, cheaper prices and stocking high-value goods for possible sale in the future," GIT's Jiambutr added.

作为泰国出口表现最佳的类别，彩宝及成品首饰于2019年占该国总出口6.99%。GIT泰国珠宝学院数据显示，从2018年开始，2019年首九个月宝石及珠宝的整体出口(不包括黄金)增幅达6.68%。然而，受全球经济与政治因素影响，包括中美贸易战及香港的社会动荡，当地对香港及美国等主要市场的出口分别下降了3.93%和7.98%。多名泰国业者就当前状况与《JNA亚洲珠宝》分析行业最新态势。

贸易战与出口

中美贸易战与泰铢强势成为泰国业界关注的议题。就前者，GIT泰国珠宝学院院长Duangkamol Jiambutr指出，美国对中国实施关税有助为泰国珠宝业造就机遇。该国领军企业 Pranda Group创办人Prida Tiasuwan表示，基于对美出口减少，中国可望将其生产力投放至对欧洲等其他市场，尤其是人力资源需求较大的银首饰，他提醒泰国业界，欧美两地市场需求差异明显，业界需重新衡量其彩宝库存以配合企业发展。Tiasuwan估计2020年市场将迎来重大转变。

纵使2020年前景仍然未明，不少业者对后市仍感乐观。曼谷8th Dimension Gems的Jeffrey Bergman表示，虽中国内地经济增长放缓，当地市场仍有庞大的发展空间，该公司正计划扩大当地的客户网。曼谷珠宝交易中心(Jewelry Trade Center, JTC)主席Henry Ho指，全球经济正进入调整期，泰国业界在面对当前挑战时将持续发挥在创意及科研等方面的优势。

培育钻石成风

在培育钻石渐受市场接受的趋势下，受访的泰国业者认为，人造及培育钻石的市场份额有望持续上升，尤其在针对年轻消费者的时尚饰品市场，不少业者为控制成本以小颗粒培育钻石取代天然钻石，制作闪耀而价格大众化的款式。

供应紧绌

泰国彩宝加工业主要依赖进口原材料，来自泰国彩宝业重镇尖竹汶(Chanthaburi)的Phuket Khunaprapakorn表示，各地对三大天然实石求过于供促使买家调整购买习惯。Jeffrey Bergman指出不少中国买家明白供应短缺将限制业务发展，除非市场能够提升对优化红蓝宝石的接受程度，正如对优化祖母绿的接受程度逐步广泛化一样。

社会责任，可追溯性与企业透明度

大众对企业透明度与社会责任的关注度日升，一众企业正调整相关的管理与营运系统以应市场需求。GIT公布由2020年起将采用区块链技术以提升该院检测之有色宝石的可追溯性。Pranda Group的Prida Tiasuwan表示，越来越多已与国际珠宝责任委员会(Responsible Jewellery Council, RJC)建立夥伴关系的泰国企业推行一系列配合可持续发展的措施，此趋势正在持续。泰国珠宝贸易协会(Thai Gems & Jewellery Traders Association, TGJTA)副主席Anthony Brooke亦指，该会正与RJC及国际珠宝首饰联合会(CIBJO)研究如何协助更多泰国中小企推展符合企业社会责任的工作。然而有业者表示，推展有关工作所费



Buyers at the Chanthaburi Festival

不菲，身为宝石开采机构 Richland Resources行政长官的Anthony Brooke指，区块链技术有助更佳监控大规模矿业机构运作，对小规模彩宝开采商则带来一定成本压力。

数字化技术与电子平台

电子商贸的迅速发展为全球市场带来重大变革。由手机及社交网站与应用程式主导的消费模式将珠宝业带进崭新里程，GIT的Jiambutr强调，业界必须加强数字化市场推广策略及付款系统以捕捉随著电商发展而来的机遇。此外，千禧代对个性化商品与求真的追求将推动珠宝业者制作更多独一无二及具故事性的产品。

拍卖与投票

近年有越来越多原材料供应商透过举办季节性拍卖会活进行销售，买家主要是获邀的贵宾，以投标形式购买钻石及宝石材料。

新冠肺炎的影响

新型冠状病毒在各国爆发为全球尤其是亚洲地区的经济前景增添不明因素。国际有色宝石协会(ICA)执行总监Gary Roskin指，原定于3月初在香港举行之香港贸发局国际珠宝展因疫情延期，令众多参展商急忙寻求于其他地方参展，以保障年初之营销计划。

Tiasuwan表示，多处购物中心及商场受疫情影响暂定营业，却造就网上店铺订单畅旺，电商活动在期间变得极为频繁，他更指，一些在中国内地的生产线受疫情延误更为泰国加工业带来额外的商机。

GIT指，中国及其他地区到访泰国旅客减少估计会令该国2020上半年损失近3,000亿泰铢(约95亿美元)旅游收益。一向活跃于尖竹汶的中港及欧洲彩宝商亦减少活动，不少泰国宝石供应商因而积极推出各种促销策略期望减少疫情对业务带来的负面影响。

About the author

Isabella is a London-born gemmologist, freelance journalist and editor specialising in the fine gems and jewellery industry. She was previously an associate editor for Bangkok Gems & Jewellery magazine and has contributed to ICA's InColor Magazine, Canadian Jeweller, Solitaire International & Jewellery Outlook.