



Market Comment by
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STRONG CHINESE DEMAND SEEN FOR COLOURED GEMSTONES, BUOYED BY BRISK ECONOMIC RECOVERY

May 4, 2021 - Chinese demand for coloured gemstones has been robust in early 2021, indicating a healthy outlook for the rest of this year, buoyed by pent-up, so-called “revenge” shopping for luxury goods.

Many jewellery designers are complaining about high gemstone prices. A combination of strong consumer demand and border restrictions due to the pandemic, have underpinned prices. Higher prices have reinforced sentiment that rare and beautiful coloured gemstones can be good investments.

Chinese jewellery retail demand has picked up sharply. Jewellery sales growth was 93.4 percent in the first quarter of 2021 year-on-year, the second strongest category after restaurant sales, according to the Chinese National Bureau of Statistics.

China imported diamonds worth US \$722 million in the first quarter of 2021, up 393 percent in dollar terms year-on-year, that is 699,500 carats, up 394 percent in carat terms year-on-year, according to the Shanghai Diamond Exchange.

A number of jewellery factories in mainland China have been very busy, extending working hours at night and weekends since the Chinese New Year to meet demand. Chinese retail jewellers reported good business from buying back gold, which rose sharply in price in 2020 due to a climate of global economic uncertainty and historically low interest rates.

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