

Jewelry & Watches



March 2010 US\$395

Essential sourcing intelligence for buyers

China manufacturer profiles

Detailed profiles of 31 verified suppliers and contact details of an additional 14 exporters

Product & price trends

Prices and specifications of 121 top-selling export products

Supply centers & market trends

Coverage of leading and emerging supply centers, plus insight into capacity, output and R&D

global  sources

40
YEARS

Quality Buyers
Verified Suppliers

www.globalsources.com

www.ChinaSourcingReports.com

JEWELRY & WATCHES

Supplier capability in China

EXECUTIVE SUMMARY

China's fashion jewelry and watch industry has positive projections for the year ahead, even while rising material costs threaten to curb profitability.

In 2009, overseas sales declined by 2 percent year on year to \$2.2 billion. Export volume decreased at the same rate to more than 184.5 million kilograms of fashion jewelry and 577 million timepieces.

A surge, however, was seen in December, with revenue registering 39 percent higher than the previous corresponding period. Rebounding demand in foreign markets and higher prices caused by elevated metal rates both contributed to growth.

Companies expect orders to continue increasing throughout 2010. Among the suppliers surveyed for this report, 94 percent are optimistic of a boost in overseas sales. About one-third of them are even projecting exports to climb more than 20 percent.

The following are some of the key developments we see in China's fashion jewelry and watch industry:

- The majority of companies are absorbing additional costs to be able to maintain prices. Those that cannot accommodate a further cut in margins will be limiting upward adjustments to 10 percent, under efforts to remain competitive.

- Suppliers are continuing to improve efficiency and material sourcing strategies to create savings. These include automating steps such as drilling and polishing, and negotiating for favorable rates from component providers.

- R&D efforts are focused on increasing the variety of low-end models, which will incorporate locally sourced parts and trimming.

- In response to new legislation on lead, nickel and phthalate levels, testing capability is being improved. The elimination of cadmium, however, will depend on a buyer's readiness to pay for more expensive nontoxic metal alloys.

China suppliers produce anklets, bangles, bracelets, brooches, chokers, earrings, necklaces, pendants, rings, and classic, fashion, multifunction and sports watches. These are also the scope of this report.

Each product category has its own section with details on the features and prices of low-end, midrange and high-end models.

The manufacturing and QC processes are discussed for the key products as well.

Further, the section elaborates on the industry composition, highlighting key characteristics of the different types of companies.

The Industry Overview illustrates the recovery from the 2008 financial crisis. It also explains how suppliers are dealing with major challenges such as rising material costs and concern over harmful substances in metal alloys.

This section also reviews the major export and manufacturing hubs for each product category.

The jewelry and watches export manufacturing industry in China is comprised of small and midsize businesses.

At least 70 percent of all suppliers are private locally owned companies, and the rest have foreign participation.

The provinces of Guangdong, Zhejiang and Fujian are the main manufacturing centers for fashion jewelry and watches. Guangdong is the largest hub, contributing 60 percent to national exports. Zhejiang is the second-biggest center for fashion jewelry, accounting for 22 percent of shipments in the line. For watches, Fujian is a distant second to Guangdong, with exports making up only 3 percent of total overseas sales.

Reflecting this structure, 84 percent of suppliers profiled in this report are private local businesses. More than one-half of featured companies come from Zhejiang, 29 percent from Guangdong and 10 percent from Fujian.

In this report

- 31 in-depth company profiles
- 14 additional suppliers
- 121 top-selling export products
- Supplier demographics
- Supplier survey
- Industry statistics & charts

METHODOLOGY

To produce this report, Global Sources surveyed a wide range of suppliers. Rather than focus simply on high-profile makers, we compiled a representative sample of large, midsize and emerging manufacturers. All profiled companies are export-oriented professional suppliers that may or may not be clients of Global Sources.

The selection of suppliers is designed to reflect the composition of the industry in China in terms of geographic spread, business type and company ownership.

For in-depth company profiles, our research teams interviewed senior executives and export managers who discussed their recent performance and provided price, R&D, production and export forecasts for the next 12 months. The interviews were done in person, by phone or e-mail.

In each case, companies were required to answer specific questions designed to verify their manufacturing and export credentials, including their production and export statistics, and a breakdown of exports by product type and market. Our production checklist details the product-specific manufacturing capability of each supplier.

All profiled suppliers participated in a survey designed to provide insight into product and price trends, and challenges facing the industry in the next 12 months. All survey questions are single choice. Results were calculated based on the actual number of valid responses to each question.

CONTENTS

INDUSTRY OVERVIEW	7
Supplier summary	
Export statistics	
Main production centers	
Supplier demographics	
Jewelry	10
Watches	17
Supplier survey	26
Export prices, export sales, target markets, capital expenditure, challenges, capability, R&D focus	
SUPPLIER PROFILES	29
Supplier locations	
Industry composition	
Exporter ranking	
Supplier matrix	
Production checklist	
Supplier profiles	
PRODUCT GALLERY	101
Top-selling export products	
ADDITIONAL SUPPLIERS	127
Key products, contact details	

Copyright 2010 Trade Media Limited. All rights reserved. Reproduction in whole or in part in any form or medium without express written permission of Trade Media Holdings Limited and Trade Media Limited is prohibited.

Published by Publishers Representatives Limited (on behalf of Trade Media Limited)
4th Floor, Century Yard, Cricket Square, Elgin Avenue, P.O. Box 32322 SMB, George Town, Grand Cayman, Cayman Islands
c/o 22/F Vita Tower, 29 Wong Chuk Hang Road, Aberdeen, Hong Kong

ISBN 978-988-18628-9-1

Disclaimer: Any recommendation contained in this report may not be suitable for all investors or businesses. Moreover, although the information contained in this report is obtained from sources believed to be reasonably reliable, the accuracy or completeness of such information cannot be guaranteed. The author and the publisher of this report (and the publisher's affiliates, agents, sales representatives and service contractors) do not make any representation or warranty whatsoever (whether express or implied) in relation to any of the contents of this report (including any information, opinion, recommendation or conclusion contained in this report) (collectively, "Contents"), whether as to the accuracy, completeness, quality, fitness, suitability or reliability of such Contents (or any portion thereof) or otherwise, and shall not be liable under any circumstances whatsoever for any error, omission, defect or deficiency in, or for any use of or reliance on, such Contents (or any portion thereof).

All product images are provided by the companies interviewed and are for reference purposes only. Those product images featuring products with trademarks, brand names or logos are not intended for sale. Products that are not the specific topics of editorial articles are shown for illustrative and/or demonstrative purposes only. We, our affiliates, and our affiliates' respective directors, officers, employees, representatives, agents or contractors, do not accept and will not have any responsibility or liability for product images (or any part thereof) which infringe on any intellectual property or other rights of a third party.

INDUSTRY OVERVIEW

As the demand for jewelry and watches begins to pick up, China suppliers are adopting strategies to help prevent rising material costs from hampering recovery.

In 2009, export volume for both lines each declined by 2 percent year on year to 184.5 million kilograms of fashion jewelry and more than 577 million timepieces. The revenue was \$979.3 million and \$1.2 billion, respectively, reflecting growth rates of 5 and -7 percent.

Figures for the final month, however, showed upward movement. Jewelry shipments climbed 9 and 24 percent to 17.4 million kilograms worth \$102.2 million compared with December 2008. Watch exports surged 54 and 43 percent to \$155.9 million for 68 million pieces.

Higher gains in value terms point to elevated product prices. The average unit cost of jewelry during that month was \$5.86 per kilogram, 14 percent above that of the previous year. The mean for watches also grew 6 percent to \$2.28 per piece.

The adjustment in quotes was brought on by the rise in metal rates. From \$3,666 per ton in January 2009, the cost of brass soared nearly 220 percent year on year to \$8,065. During the same span, silver almost doubled to \$620 per kilogram and stainless steel increased 10 percent to \$3,960 per ton.

Zinc alloy, which at the beginning of 2010 cost between \$2,346 and \$2,640, was up 60 percent from April last year.

Improving demand and output in various industries that utilize metal over the course of 2009 are credited for the escalation.

As global recovery continues this year, the trend is expected to continue. China's loose monetary policy that allows for growth in money supply is also contributing to inflationary concerns among makers.

Despite this, companies are absorbing most of the additional costs

to keep buyers interested. Many are maintaining current price levels, while others are limiting adjustments to 5 percent.

Only a few businesses with strong manufacturing and R&D capability are able to boost quotes by up to 10 percent.

The result is a cut of approximately 5 percent in profit margins. From gains of 10 to 25 percent previously, most now operate on markups between 5 and 20 percent.

Because of this, cost controls are being put in place to prevent eroding profitability further.

Some exporters are trying to sidestep sudden jumps in material outlay by entering into three- or six-month supply contracts. By promising to purchase a certain quantity every month, they can secure a favorable rate from providers for the duration of the agreement.

Several manufacturers with sufficient cash flow also monitor trends in material costs. They stock up on commonly used inputs when sensing an increase is imminent.

Production efficiency is being improved as well. Instead of drilling and polishing beads manually, automatic machines are being added to speed up the processes.

Moreover, companies propose to their clients to substitute some components with less expensive varieties.

For example, instead of Japan-made watch movements and modules, domestic counterparts are adopted if the customer agrees. In some cases, the replacement can reduce expenses up to 30 percent.

Keeping prices competitive is only one step to boost sales. As makers target between 10 and 20 percent revenue growth in the coming year, they are launching new designs more often.

As a result of lowering the MOQ per style and designating a separate

Supplier summary

Suppliers surveyed	31
Export sales	\$124.5mn
Export ratio	83%
OEM business	47%
Capacity utilized	71%
Annual R&D spending	\$6.5mn
Full-time employees	12,533

Data: All surveyed suppliers

minimum number of models per transaction, buyers are looking for more variation in the selection. In addition, the quantity of samples being prepared every month has surged. Some exporters have reported that from 1,000 prototypes, they now need to create several thousands.

To cope with increased demand, companies are beefing up their R&D teams. At least one designer and two sample makers are being added. The latter position is usually filled by transferring skilled workers from the assembly line to the product development department.

Subscriptions to international publications and trips to target markets are being continued as well. These will help R&D specialists come up with on-trend styles for specific destinations. Temgo Group Co. Ltd, a supplier interviewed for this report, sends its designers to Italy, Germany, France and the UK.

In the next six months, the majority of jewelry and watch suppliers will be focusing on low-end models.

Upcoming jewelry releases will utilize polymer clay, fabric, ceramic and wood trimming more frequently. The rates for these materials are increasing at a moderate pace compared with metal.

For timepieces, styles with intricate dials and locally made components will be popular.

Only the few watch suppliers that cater to the upscale market will be directing product development toward value additions that can justify higher prices.

Chanch Accessories International Co. Ltd

Established in 1999, Chanch has an average monthly output of 300,000 bracelets, bangles, anklets, brooches, pendants, chokers, necklaces, earrings and rings. These are all exported, mostly to North America, Europe, the Asia-Pacific region and the Middle East.

The line represents 20 percent of the company's total revenue. The rest is for clothing accessories, collars, chain belts and canvas handbags.

Jewelry sales amounted to \$1.8 million last year. The category is expected to grow at least 20 percent

in the next 12 months, with North America as the target market.

The supplier operates a 5,000sqm factory, which currently utilizes 60 percent of total capacity. The plant is equipped with three faceting and five polishing machines.

There are 260 employees, 25 of whom are QC inspectors.

Chanch allocates \$100,000 for product development of all lines. This accounts for 1 percent of annual income.

Despite rising material costs, prices stayed the same in the past quarter.

Company facts

Year established	1999
Business type	Manufacturer
Company ownership	Mainland China-owned
Head office location	Yiwu (Zhejiang)
Number of factories	1
Factory location(s)	Yiwu (Zhejiang)
Total factory area	5,000sqm
No. of full-time employees	260
No. of R&D/design staff	20
No. of QC staff	25
Annual sales (all products)	\$9.0mn
Annual R&D spending	\$100,000
ISO certification	No

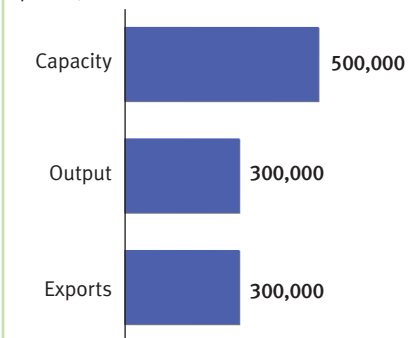
Sales & output: Jewelry & watches

Annual sales	\$1.8mn
Share of total sales	20%
Annual export sales	\$1.8mn
Total monthly capacity	500,000 pieces
Average monthly output	300,000 pieces
Capacity utilized	60%
Average monthly exports	300,000 pieces
Export ratio	100%
OEM % of exports	70%
ODM % of exports	30%
OBM % of exports	—
Major customers	Bhs (UK)
Other products made	Clothing accessories, collars, chain belts, canvas handbags

Profile

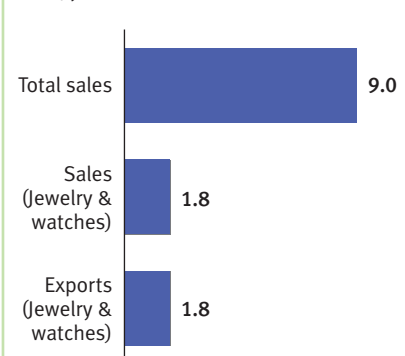
Production

pieces/mth



Sales

\$mn/yr



Contact details

Business contact

LIU Levin

Phone

(86-579) 8545-4098

Fax

(86-579) 8545-2550

E-mail

chanch168@163.com

chanch@globalsources.com

URL

www.chanchinternational.com

www.globalsources.com/chanch.co

Address

Room 201, Unit 1, C-62, Qingyanliu, Yiwu, Zhejiang, China

Capability

Production checklist

Assembly lines	10
Faceting machines	3
In-house electroplating	No
In-house material testing	No
Makes digital modules in-house	No
Makes mechanical movements in-house	No
Makes molds in-house	Yes
Polishing machines	5
Watch analyzers/timing machines	—
Water-resistance testers	—

Exports by product

Bracelets, bangles & anklets	40%
Brooches & pendants	20%
Chokers & necklaces	20%
Earrings	10%
Rings	10%
Analog-digital watches	—
Digital watches	—
Mechanical watches	—
Quartz analog watches	—

Exports by market

North America	20%
European Union	60%
Europe (non-EU)	10%
Asia-Pacific	5%
Middle East	2%
Other	3%

Survey

- **Export prices**
Stayed the same
- **Export sales**
Increase more than 20%
- **Target market**
North America
- **Capital expenditure**
Increase up to 50%
- **Major challenge**
Cost of raw materials
- **Export capability**
Improve operating efficiency
- **R&D focus**
Lead- and nickel-free plating

Popular export models



Elastic bracelet

Model	CBE-02929
MOQ	1,000 pieces
Packaging	Polybag
Delivery	15 days
Price	\$0.75

Description: Polished acrylic beads; 4cm wide



Necklace

Model	CNK-02896
MOQ	500 pieces
Packaging	Polybag
Delivery	20 days
Price	\$4.90

Description: Copper and zinc alloy; gunmetal plating; lobster clasp; 40cm long



Ring

Model	CBE-03033
MOQ	1,000 pieces
Packaging	Polybag
Delivery	15 days
Price	\$0.60

Description: Zinc alloy; silver plating; epoxy trimming; 19mm diameter

PRODUCT GALLERY

Chokers & necklaces



Chanch
 (profile page 36)
Model: CNK-02896
MOQ: 500 pieces
Packaging: Polybag
Delivery: 20 days
Price: \$4.90
Description: Necklace; copper and zinc alloy; gunmetal plating; lobster clasp; 40cm long



Changqingteng
 (profile page 38)
Model: CQT-CQT002
MOQ: 1,000 pieces
Packaging: OPP bag
Delivery: 20 days
Price: •
Description: Necklace; iron chain; CCBs; antique silver, antique gold and antique copper plating; in various sizes; custom colors



Dandear
 (profile page 40)
Model: XL-3007
MOQ: 600 pieces
Packaging: OPP bag
Delivery: 20 days
Price: \$0.98
Description: Necklace; alloy chain and lobster clasp; CCBs and acrylic beads; 25in long; in various sizes, colors and patterns



Dandear
 (profile page 40)
Model: XLA-468
MOQ: 600 pieces
Packaging: OPP bag
Delivery: 20 days
Price: \$0.91
Description: Necklace; alloy chain; faux black pearl and alloy owl pendant; 48cm long; in various sizes, colors and patterns



EE
 (profile page 42)
Model: S7030988
MOQ: 200 pieces
Packaging: Polybag
Delivery: 20 days
Price: •
Description: Bib necklace; lead-zinc or zinc alloy; nickel-free silver plating; rhinestones



EE
 (profile page 42)
Model: D7031123
MOQ: 300 pieces
Packaging: Polybag
Delivery: 25 to 30 days
Price: •
Description: Necklace; lead-zinc or zinc alloy chain; iron rings; nickel-free silver plating

• Information not disclosed

Yes!

I'd like to order the full version of the following China Sourcing Reports
 For faster service, order online at www.ChinaSourcingReports.com/pdfts

A Please send me

	Report Title:	US\$
1)		
2)		
3)		
4)		
5)		

Total amount US\$

B Please send my reports by

- E-mail (PDF format) Air courier (printed copy)

C My contact details

Mr Mrs Ms _____
Family Name Given Name

Job Title _____

Company Name _____

Address _____

City _____ State/Province _____

Country _____ Postal/Zip Code _____

E-mail _____

Tel _____ Fax _____

Mobile/Cell Phone _____

For faster service, order online at
www.ChinaSourcingReports.com/pdfts

For other inquiries

E-mail: service@globalsources.com
 Telephone Hotline: (65) 6547-2800

D My payment method

- US\$ check/bank draft payable to **GLOBAL SOURCES**,
 drawn on a US bank located in the USA

- Please debit my credit card



Amount (US\$) _____

Card No. _____

Expiry Date _____

Signature _____ Date _____

E Return this form by

Fax North and South America (1-480) 951-4197
 Worldwide (65) 6547-2888

Mail Global Sources, c/o Media Data Systems Pte Ltd
 Raffles City PO Box 0199, Singapore 911707

Thank you for your order.