

Global Silver Jewelry Market Impacted by Pandemic and Higher Silver Prices

Jewelry Demand Expected to Reset in 2021 with Forecasted Increases in Key Markets

(Washington, D.C. – December 7, 2020) Silver's use in jewelry is an important demand source for the precious metal. In 2019, 200.2 million ounces (Moz) of silver were consumed in this sector, which was just shy of the record high of 201.9 Moz posted in 2018. Although silver jewelry consumption currently accounts for 20 percent of total silver demand, it is projected to rise to a quarter of global silver demand by the mid-2020s, further underscoring the popularity and desirability of silver jewelry among leading designers and fashion-conscious consumers.

Against this backdrop, a new publication released today by the Silver Institute, *Silver Jewelry Report*, assesses the current state and prospects of the top silver jewelry fabricating markets, including the U.S., India, Europe and East Asia. The report was produced by Metals Focus, the global precious metals consultancy.

The report states that the global silver jewelry market has been negatively affected in 2020 by the COVID-19 pandemic, higher silver prices in U.S. dollar terms, and record local silver prices, especially in India, the world's largest silver jewelry fabricator. While global silver jewelry demand is projected to fall by 23 percent in 2020, silver jewelry demand is expected to bounce back in 2021 and is likely to see a 13 percent recovery despite anticipated higher silver prices, primarily due to the forecasted economic recovery which should offset higher silver prices.

Of note, projected losses in the gold jewelry sector in 2020 are even steeper, currently anticipated to fall by 33 percent. This reflects the impact of the pandemic and record high gold prices, especially in price sensitive jewelry markets.

Key takeaways from the report:

United States -- Jewelry demand is expected to grow by 10 percent in 2021 primarily due to a recovery in consumer spending, offsetting the 10 percent forecasted loss in 2020. The longer-term outlook is for steady growth to emerge, primarily due to steadier economic expansion, with record levels of silver jewelry consumption achieved by the mid-2020s.

India -- Demand in 2020 is projected to fall to a seven-year low, driven by economic weakness, record domestic silver prices and the pandemic. However, 2021 is forecast to see a strong recovery, and the outlook beyond 2021 is promising, as the Indian economy improves, coupled with rising consumer confidence and as the market increasingly embraces higher purity, sterling silver jewelry.

Europe -- European silver jewelry demand is forecast to fall by 17 percent in 2020, though next year's forecast calls for a rebound of 14 percent, as retailers rebuild stocks and consumption starts to return to more normal levels.

East Asia -- After this year's expected 17 percent drop in silver jewelry demand, East Asian jewelry fabrication in 2021 is expected to strengthen, as a recovery in both the Thai and Chinese jewelry markets will fall just short of 2019's pre-COVID levels.

Looking beyond 2021, the report maintains that global demand for silver jewelry is on track to achieve further successive gains, benefiting from increased demand in every major market. Key to this will be the impact of an improving global economy and the benefit this will bring to disposable incomes.

To download a copy of the complimentary report, please click [here](#).

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The Silver Institute is a nonprofit international industry association headquartered in Washington, D.C. Established in 1971, the Institute's members include leading silver producers, prominent silver refiners, manufacturers, and dealers. The Institute serves as the industry's voice in increasing public understanding of the value and many uses of silver, including its role in numerous green technologies. For more information on the Silver Institute, please visit www.silverinstitute.org