

JEWELRY

MARKET BRIEF - FRANCE

SUMMARY

The image of France as the "Fashion Capital of the World," plays an enormous role in the increasing desire and absolute necessity for fashionable jewelry. Due to this necessity and the growing market there is much opportunity for American companies wishing to penetrate this exciting French market:

***In 2003, the French market for costume jewelry including silver jewelry, gold plated and fashion accessories were estimated at 480 billion U.S. dollars.**

*Within the French market for jewelry, the demand has reached record levels, with a four percent growth in sales since 2000.

*In the favorable economic context that France and more widely Europe are experiencing, the Gold Jewelry sales have increased by four percent compared to 1999.

RECENT TRENDS

Ultra-femininity breaths life into Summer 2004 in either a "retro chic" mood borrowed from a slightly nostalgic elegance or else a "funky color" mood, a cheerful, vivid, sexy theme. Women are beginning to wear long beaded necklaces, chokers with pendants, cabochon rings with disk charms, and rhinestone broaches. Also popular are big chains with charms, long pendant chain earrings, clips, rhinestone hoops, badges, giant rings and cuff bracelets, and floral broaches.

Categories	Market share breakdown
	<i>In percentage</i>
Gold (18 karat and plated)	59
Plated gold:	16
Silver	14
Gold (9 and 14 karat):	5
Other:	5

Types of Jewelry	Value <i>in percentage market share</i>	Volume <i>in percentage market share</i>	Average buying price <i>In USD</i>
Rings	28	21	273
Bracelets	12	21	144
Earrings	16	19	85
Earrings	22	18	169
Necklaces, Chains	6	11	108
Pendants	15	10	

Sixty percent of jewelry purchases in France are made by and for women and on the following occasion:

Purchasing periods	Market share <i>in percentage</i>
Christmas:	36
Birthdays	23
No particular reason	20
Baptisms	5
Wedding anniversaries	4
Others	12

UPCOMING SHOWCASE OPPORTUNITIES IN PARIS - September 3-6, 2004

“**Eclat de Mode**” and “**M'B Montres et Bijoux**” come together on a single location and on the same dates. These two trade shows specialize in Costume and Designers Jewelry, Silver, Brand Names and Haute Couture, Fashion Accessories, Piercing, Gold Jewelry, Fine Jewelry, Designer Jewelry, Watches, and Technical Industries. There will be 15,000 expected visitors, including 30 percent from more than 132 foreign exhibitors, mainly coming from Italy, Germany, The Philippines, Spain, USA, and The Netherlands who will be able to discover the exciting diversity of the collections of more than 320 international companies and brands, on 20,600 square meter of exhibition area.

TRADE SHOW INFORMATION

Title: Eclat de Mode Bijorhca
Date: September and January
Organizer: Reed Exposition France
70, rue Rivay
92532 Levallois Perret Cedex
Tel: (33-1) 47.56.21.46
Fax: (33-1) 47.56.24.21
Info@bijorhca.com
www.bijorhca.com
Contacts: Ms. Sylvie Gaudy, Show Director
Sylvie_Gaudy@reedexpo.fr

In the U.S. Ms. Allegra Cramb
Promosalons
Tel: (703) 399 2523
Fax: (703) 522 5005
acramb@promosalons.com

Sources: Bijorhca Trade show & Eco Stat
French Costume Jewelry Trade Association (BOCI)
Magazine “Points de Ventes

INFORMATION ON TAXES AND TARIFFS

U.S. manufacturers should be aware of many costs associated with exporting, such as custom duties, VAT, and distributor margins which have a direct effect on the prices of U.S. exported goods and consequently on their competitiveness with local products.

The French importer should pay the **Value Added Tax - VAT (TVA in French)**. The standard rate is 19.6 percent of the CIF (Custom, Insurance, Freight) cost.

VAT must be added to the price of all goods sold in France in connection with an industrial or commercial activity. The supplier of any goods bills his customer at his selling price, plus the amount of **VAT**. The supplier collects the full amount, subtracts from the total amount of **VAT** collected his own **VAT** expenditures, and periodically pays over the difference to the tax authorities.

The French importer must also pay **customs duties** when clearing goods at customs.

A - Precious and semi-precious jewelry:

Custom duties vary between 0 percent and 4 percent as followed:

- 0 percent: real pearl and cultured pearl
- 2.5 percent: precious metal jewelry
- 4 percent: precious metal-plated jewelry

There are also **guaranty duties**, as follows:

- EUR 0.33 per gram of gold (9 carat and 14 carat gold)
- EUR 0.42 per gram of gold (18 carat gold and more)
- EUR 0.02 per gram of silver
- EUR 0.81 per gram of platinum

A U.S. manufacturer must have a French representative whose company is registered at the French commercial court. The French importer must send a complete file with information on the U.S. company to following administration to check if the jewelry conforms to the French legislation:

Bureau Paris Garantie

14, rue Perre

75003 Paris

Tel: (33-1) 42.72.72.74 (for custom clearance)

(33-1) 44.54.57.07 (contact Mr. Haas for gold jewelry regulations)

Fax: (33-1) 40.27.96.37

Every piece of jewelry should carry two types of marks:

- 1) The "**Poinçon d'Etat**" indicating the type of metal and the characteristics of the metal.
- 2) The "**Poinçon de Responsabilité**" (Responsability mark) indicating the mark of the French importer plus an oval-shaped mark.

The control process involves testing and marking the pieces of jewelry, verifying the number of jewelry pieces, and weighing them. The gold standard is then checked using two different methods (1) the touchstone test, (2) assay, using cupellation or dissolution in acid.

B - Costume jewelry:

Custom duty is 4 percent.

Sources

- French customs information center (Centre de renseignements des douanes)
- TARIC (Tarif intégré communautaire) data base available on www.europa.eu.int

Last up dated: April 22, 2003