

Industry infighting has hurt consumer confidence in jewellery, CIBJO President tells conference in Hainan, China



CIBJO President Gaetano Cavalieri addressing the 2024 Global Gems & Jewellery Development Conference in Hainan, China, on December 19, 2024.

MILAN, ITALY: DECEMBER 19, 2024 – Marketing strategies adopted during the mass launch of laboratory-grown diamond jewellery have had a negative impact on consumer confidence in jewellery in general, the results of which are being seen today, Gaetano Cavalieri, President of the World Jewellery Confederation (CIBJO), told the opening session of the 2024 Global Gems and Jewellery Development Conference, in Hainan, China, on December 19, 2024.

“The items we sell do not necessarily have inherent value – such is the nature of luxury products,” Dr. Cavalieri remarked in his keynote address to the large audience attending the opening session. “They have perceived value, created by the brands, and through cultural and historic associations. If the consumer loses confidence in our products, then their value is discounted. Without

consumer confidence, a diamond, a ruby, an emerald or an exquisite piece of jade is simply a colourful stone.”

This past year has been a challenging one for the jewellery industry, Dr. Cavalieri said, and especially for diamond jewellery, historically the industry’s largest single sector, which has seen sales values and prices falling, sometimes dramatically, in markets around the world.

“There are several causes for the situation, some of them related to geopolitical developments over which we have little to no control,” the CIBJO President added. “But it largely has to do with the very rapid development over the past decade of the laboratory-grown diamond sector, alongside the natural diamond sector. That always was a delicate situation, but it has been made considerably more complicated over the past two years as the price of producing laboratory-grown diamonds has fallen sharply.”



CIBJO President Gaetano Cavalieri (centre), flanked by Wang Baomin (left), Chairman of the National Gems & Jewelry Testing Group of China (NGTC), and Mr. Ye Zhibin, President of the Gems and Jewelry Trade Association of China (GAC), during the opening of the 2024 Global Gems and Jewellery Development Conference.

“The challenge posed to the diamond market by the mass introduction of laboratory-grown goods has never been properly resolved,” Dr. Cavalieri continued. “And this is not because there is anything wrong with either natural diamonds or laboratory-grown diamonds. It has more to do with the business strategies and the polarising marketing approaches that were adopted. The early decision to benchmark laboratory-grown diamond prices against the price of natural diamonds, which, while maybe serving the short-term interest of laboratory-grown diamond producers, proved to be a critical error over the longer term.”

“It should always have been apparent that the economic principles governing a natural product, where there is always a finite production ceiling, was different to that of a manufactured product, where there is no production ceiling, and where we inevitably would see a sharp reduction in production overheads as economies of scale were reached,” he explained. “So, when decisions were made to conflate the two, and then worse, to differentiate the products by making negative marketing claims about the other, consumer confidence in both categories was undermined.”

“Both the natural diamond sector and the laboratory diamond sector need to disengage and go back to their drawing boards,” the CIBJO President concluded. “Each needs to clearly brand its product in a realistic and positive way so that consumer confidence will be restored.”

Later during the first day of the conference, Dr. Cavalieri delivered a presentation on the development of grading, disclosure and sustainability standards for pearls, filling in for Kenneth

Scarratt, a CIBJO Vice President, and President of both the confederation's Sector A (covering gem materials) and its Pearl Commission, as well being Dean of the CIBJO Academy. Mr. Scarratt, who had been scheduled to deliver the presentation himself, was unable to make the trip to Hainan.



Members of the large audience attending the opening session of the 2024 Global Gems and Jewellery Development Conference in Hainan, China, on December 19, 2024.

The World Jewellery Confederation (CIBJO) is the international jewellery confederation of national trade organisations. CIBJO's purpose is to encourage harmonisation, promote international cooperation in the jewellery industry and to consider issues which concern the trade worldwide. CIBJO's chief mission is to protect consumer confidence in the industry. The World Jewellery Confederation is the sole jewellery industry organisation to have Special Consultative Status with the United Nation's Economic & Social Council (ECOSOC) and is a member of the UN Global Compact.

FOR IMMEDIATE RELEASE

CONTACT: Steven Benson

+972-52-280-2322

communications_1@cibjo.org