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2026 Chinese jewellery retailer insights

Confidence check



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Navigating a period of cyclical transition

China's gold jewellery demand has remained under pressure so far in 2026, recording its weakest first half in tonnage terms since 2006 as tepid consumer confidence and the elevated gold price inserted pressure. Yet this volume contraction does not tell the whole story. Consumers have continued to spend big on gold jewellery: the total value of consumption has risen y/y in H1 2026, nearing its record high.

China's economy – a key driver of the local gold jewellery demand – is transitioning towards higher-quality, technology-led growth. Transitioning is often tough and usually depresses confidence. To consumers, low confidence leads to cautious discretionary budget adjustment. To retailers, confidence impacts their product structure, inventory preparation, and decisions about point of sale (POS) changes.

Identifying these changes is therefore essential. For a seventh year, we teamed up with China Gold News and conducted our 2026 annual Chinese jewellery retailer research. To sum up, we found:

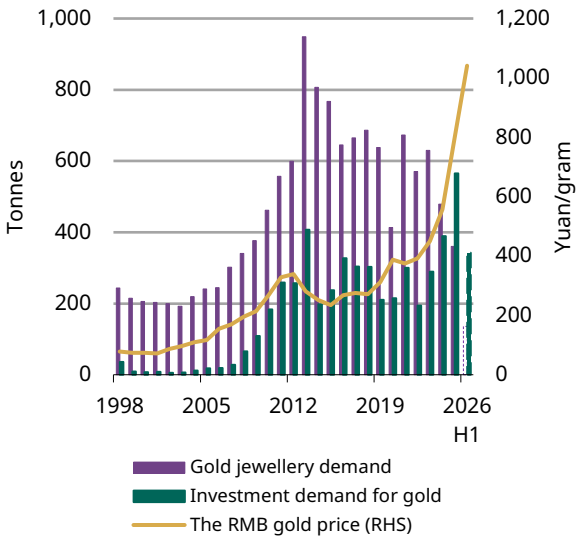
- Gold continues its dominance at jewellery stores in China
- Heritage and Hard Pure gold products remain well positioned
- Self-indulgence has become increasingly dominant in jewellery consumption
- Retailers remain confident in gold relative to other categories and most believe the current weakness is only temporary
- Most retailers plan to expand exposure to lighter products with higher margins.

China's gold demand landscape change

Demand for gold continued to show contrasting patterns in China (**Chart 3**). In 2025, investment demand for gold outpaced jewellery consumption for the first time in history. And the trend carried into 2026: Chinese investors bought a total of 342t of gold during the first half while gold jewellery consumption amounted to 136t, the weakest H1 since 2006.

Chart 1: Investment demand outpaces jewellery consumption

Chinese gold investment demand and jewellery consumption*



*2026 data represents demand for the first half. Investment demand includes gold bars, coins and ETFs.
Source: Shanghai Gold Exchange, Metals Focus, World Gold Council

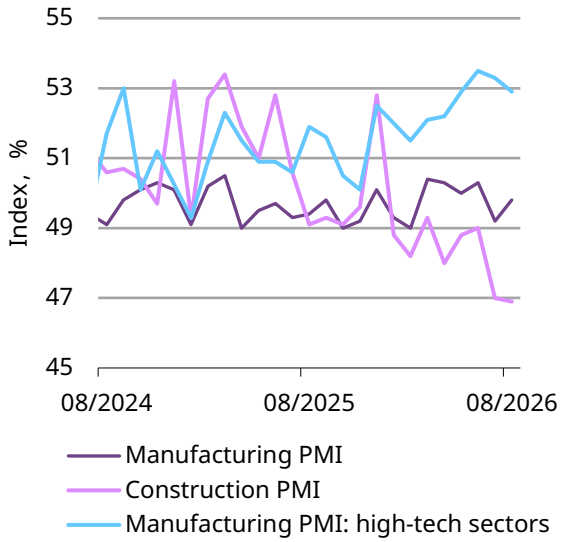
The dominance of gold investment may not seem surprising in today's macro conditions. China's economic growth has continued to slow, prompting a decline in domestic interest rates and reducing the attractiveness of traditional savings products.

At the same time, the property sector, long a key store of household wealth, remains subdued, while consumer confidence stays weak and the precautionary savings rate is near record highs. Against this backdrop, investors increasingly turned to gold as a store of value and portfolio diversifier, supporting investment demand. In contrast, these challenging economic conditions as well as the additional VAT burden, which was introduced in late 2025, weighed on discretionary spending, suppressing jewellery consumption.

China is undergoing a transition from a property-driven economy to a technology-led one. Traditional growth engines, led by the property sector, continue to contract. And high-tech sectors have consistently outperformed the broader economy, signalling that new growth drivers are gradually taking hold. The economy is therefore not simply in recession, but in a period of structural realignment between old and new sources of growth.

Chart 2: China's economic engine is shifting

PMI indices of different sectors*



*Monthly data as of August 2026.
Source: Bloomberg, World Gold Council

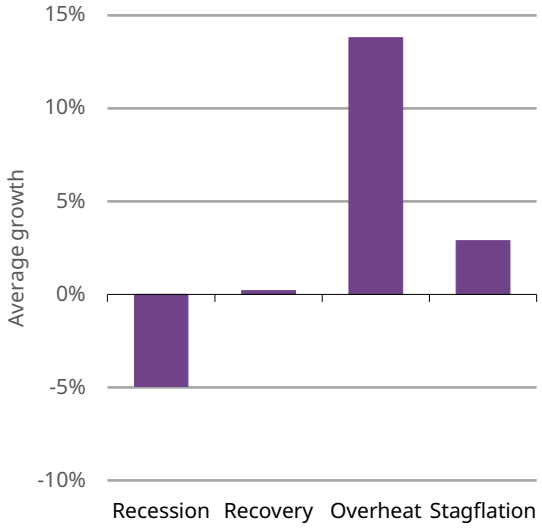
The adjustment has been painful. And currently, China's economy may still be in an atypical 'recession phase', where monetary stands adequately loose yet credit growth slowed notably as consumers, investors and companies are cautious in borrowing. In this phase, as previously noted, safe-haven investment tends to outpace discretionary spending.

Yet there is reason for optimism. The 'three new economic sectors' have continued to gain ground in China's GDP, now accounting for over 18% of the total.[1] Over H1 2026, high-tech manufacturing alone contributed 40% of China's y/y GDP growth.[2] This underscores that China's economy has entered a phase of new and old growth drivers developing in parallel, as part of its gradual economic transition. The next stage – where high-tech drivers come to dominate the economy and lift confidence – may resemble a 'recovery' in traditional economic theory.

1. See: 2025 年我国"三新"经济增加值占国内生产总值比重为 18.39% - 国家统计局, 30 July 2026.
2. See: 【"新"，已成为中国经济的主色调】-国家发展和改革委员会, 27 July 2026.

Chart 3: China's gold jewellery demand tends to weaken in a 'recession-like' phase

Chinese gold jewellery demand y/y growth averages in different periods*



*Cycles-based RMB loans growth (if greater than the average of the previous four quarters, then marked as "improve", otherwise, "worsen") and policy rate (if greater than the average of the previous four quarters, then marked as "tighten", otherwise, "loose"). Demand y/y changes exclude those quarters where demand experienced over 50% changes. Quarterly data between Q1 2005 and Q2 2026.
Source: Wind, Metals Focus, World Gold Council

Based on historical patterns, 'recovery' periods typically point to improved, though still weak, gold jewellery consumption, as consumer confidence gradually picks up.

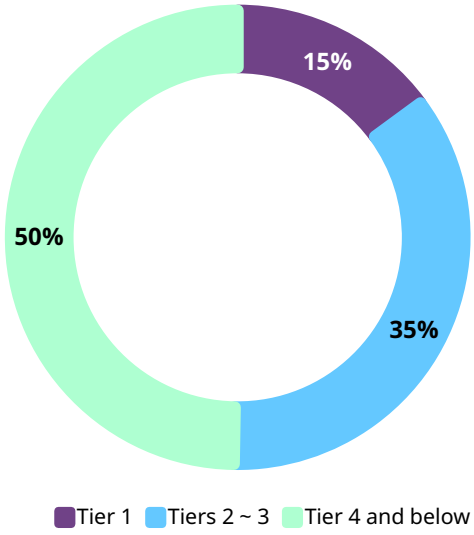
But in the current phase, the jewellery industry faces multiple headwinds – from the consolidation of points of sale, to weak consumer confidence and affordability constraints, to fierce product competition. Amid this macro-transitioning period, what trends in the Chinese gold jewellery market matter most to business operations? And in retailers' own view, where does the Chinese gold jewellery industry currently sit in the cycle?

The 2026 Chinese jewellery retailer insights

4In 2026, we embarked on the seventh year of our Chinese jewellery retailer survey partnering with China Gold News. We received responses in the forms of online questionnaires and offline interviews from 744 retail store managers and regional heads of major jewellery brands across China.

The sample composition this year is more dispersed, with a skew towards lower-tier cities, which represents a large portion of the Chinese gold jewellery consumption and population. Half of the total answers came from Tier 4 and below markets, while first-tier cities accounted for a mere 15%. This distribution is in line with the broader shift in China's consumption landscape, underscoring a growing importance of lower-tier cities and county-level markets.

Chart 4: Our survey scope in 2026



Source: China Gold News, World Gold Council

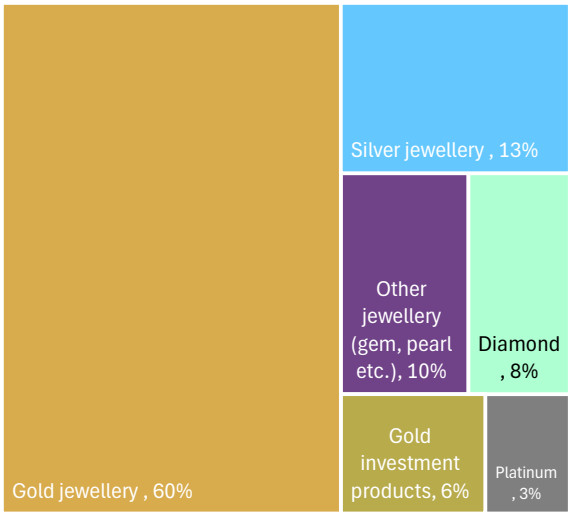
Gold jewellery continues to dominate despite modest declines

Gold jewellery remains the most important source of revenue for retailers in China (**Chart 5**). As noted above, Chinese consumers continue to favour and spend on gold jewellery products as the industry keeps innovating and offering stylish items. Nonetheless, higher costs, due mainly to the elevated gold price and the additional VAT burden passed onto consumers, reduced gold jewellery's dominance slightly.

The most visible impact of the VAT reform has been on jewellery retailers' gold bullion business, with their bullion sales contracting sharply. Under the new VAT policy introduced in November 2025, gold investment products sold through non-member channels became subject to an additional tax burden of around 13%. As most Chinese jewellery retailers operate as franchisees and are classified as non-members, many scaled down or gave up bullion sales.

Chart 5: Gold remains the largest jewellery category in 2026

Contribution of various categories to Chinese jewellery retailer revenue in H1 2026 (in value)*



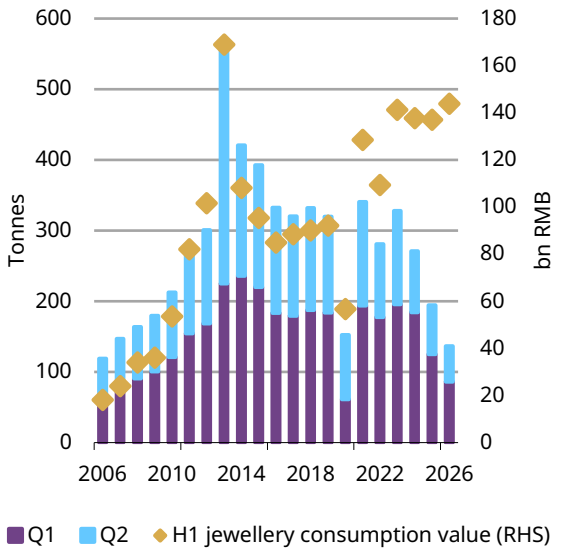
*Survey conducted in August 2026.
Source: China Gold News, World Gold Council

Heritage and Hard Pure gold products continued to support sales

Although Chinese gold jewellery consumption in tonnage terms continued to weaken, consumers spent more: ***over the first half of 2026, gold jewellery consumption value increased 5% y/y to RMB144bn*** despite a 30% y/y drop in tonnage terms. This reveals the fact that while consumers have to dial down the weight of gold jewellery they purchase amid a relatively fixed budget, their interest in gold jewellery stayed intact – pushing total spending to the second highest H1 ever.

Chart 6: Gold jewellery consumption elevated

Gold jewellery tonnage demand and consumption value*



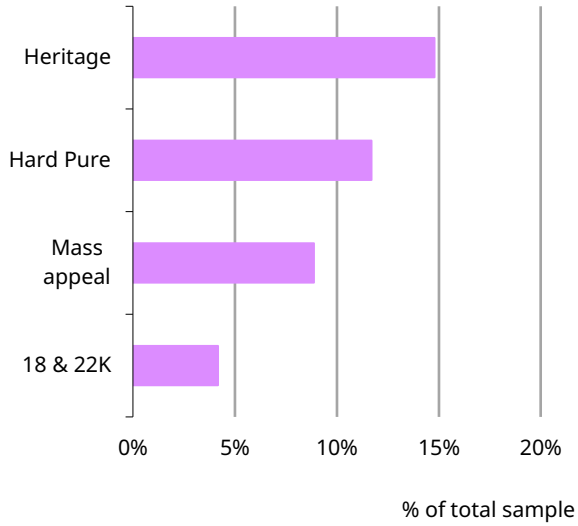
*Based on average quarterly Au9999.
Source: Metals Focus, Shanghai Gold Exchange, World Gold Council

Taking a closer look, Heritage and Hard Pure gold jewellery remained the most resilient product categories (**Chart 7, p7**), supporting overall store revenue. While most respondents reported y/y contraction across categories, 15% recorded higher Heritage gold sales in H1 compared to 2025, mainly products lighter than traditional pieces, while 12% saw revenue growth in Hard Pure gold.

Heritage and Hard Pure gold jewellery outperformed other categories for the fourth consecutive year in 2026. Field research suggests that smaller, lighter pieces with stylish designs or strong cultural elements have become a key revenue pillar for jewellers. Despite higher costs, consumers remained committed to 24K gold, favouring products that combine affordability, design appeal, and retained gold value. Retailers with stronger offerings in these categories were therefore better placed to mitigate the impact of elevated gold prices and subdued discretionary spending.

Chart 7: Heritage and Hard Pure gold jewellery outperformed others

% of retailers that experienced increased sales during H1 2026*



*Based on y/y changes in H1 sales revenues.
Source: China Gold News, World Gold Council

Meanwhile, as we noted before, China's gold jewellery market is showing signs of polarisation. At one end, lightweight Heritage and Hard Pure gold products have gained popularity thanks to their better affordability; at the other end, chunky, premium, hand-crafted Heritage gold pieces remain trendy among high-net-worth consumers. This bifurcation is perhaps another driver behind Heritage gold jewellery's outperformance relative to other categories.

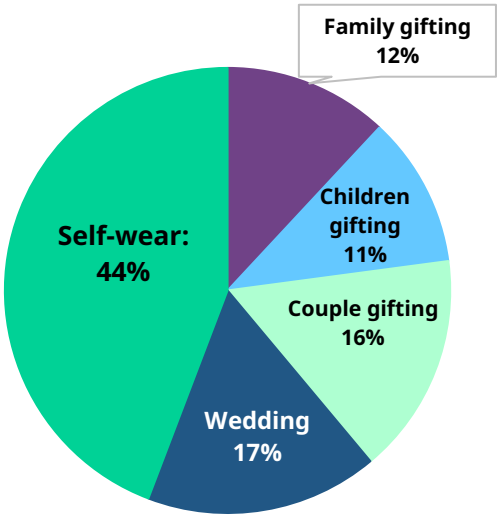
Self-indulgent purchases prevail

Our survey suggests that self-indulgence remains the primary driving force behind gold jewellery consumption in China (**Chart 8**). ***44% of respondents indicated that their customers purchased gold jewellery to please themselves.*** While not directly comparable due to differences in sample composition, historical data offers some useful trend context: this self-indulgent purchasing accounted for 27% of total gold jewellery buying in 2024 and rose to 37% in 2025. By contrast, purchases for traditional occasions such as weddings made up only 17% of the total this year – the ratio was 24% in 2024 and 19% in 2025.

This deepening shift is perhaps the most important structural change in China's gold jewellery market. It marks the transition of consumers' gold jewellery purchasing from being traditional-event driven to emotionally driven. And it also suggests that, nowadays, ***gold jewellery is increasingly being treated as a discretionary lifestyle product rather than something that carries ceremonial value only***.

Chart 8: Self-wear increasingly drives consumers' gold jewellery purchasing

% of retailers who agree that the following items are essential to their sales revenue in H1



Source: China Gold News, World Gold Council

In fact, the transition also explains the increasingly cyclical nature of gold jewellery demand in China. Wedding or other traditional events-related gifting and purchasing are relatively stable. But self-indulgent buying ties closely to individual emotions, self-expression, consumer confidence, and income expectation. This means, particularly after the VAT reform, ***consumers now buy gold jewellery on a more balanced consideration of both wealth preservation and personality/emotion expression***.

Hard Pure gold consumers are younger

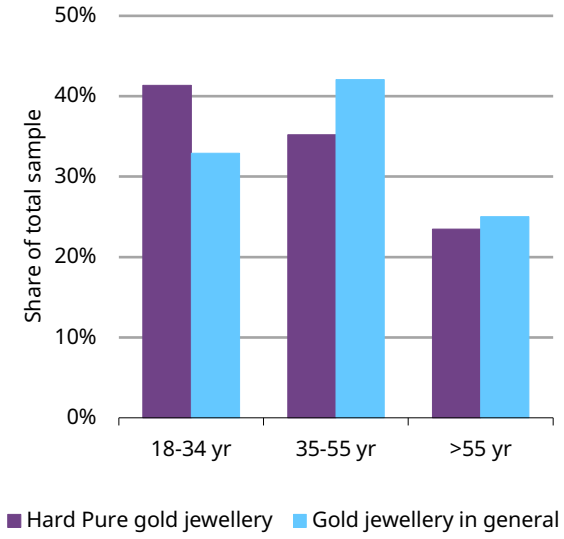
Hard Pure gold jewellery stands out in attracting younger consumers. ***Our survey shows that its buyers are younger, on average, than the overall gold jewellery consumer base.*** Affordable costs, fashionable designs, and creative combinations with enamel, diamonds and other materials make these products particularly suited to younger consumers seeking self-expression and greater everyday wearability.

It is also noteworthy that consumers between 18 and 34 years of age remain a key pillar for general gold jewellery consumption. This echoes above-mentioned consumers' gold jewellery purchasing considerations, which balance wealth preservation and emotional value.

This mirrors a broader trend among young consumers. Accenture's 2026 Chinese Consumer Insights suggest Gen-Z consumers now increasingly divide their purchase / emotional needs into two separate 'accounts', one to satisfy emotional value and the other for long-term financial security.

Chart 9: Consumers of Hard Pure gold products are generally younger

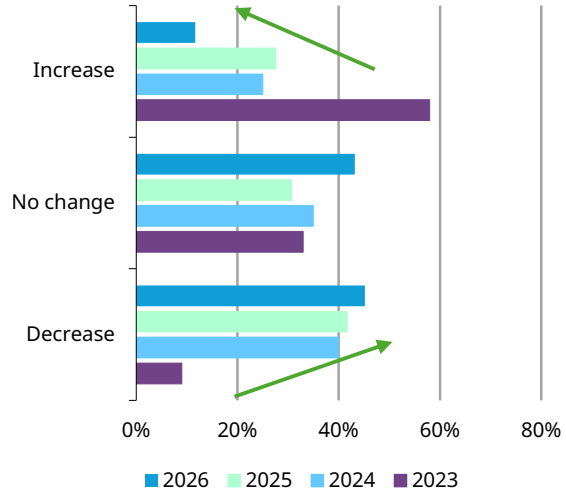
Q: How old are your consumers (by gold jewellery category)



Source: China Gold News, World Gold Council

Chart 10: While some retailers choose to reduce gold inventory, a similar portion stay put

Q: How are you planning to alter your gold inventory going forward?



Source: China Gold News, World Gold Council

Most jewellers still in 'destocking' cycle yet some stay put

Retailers are dialling back their gold inventories (**Chart 10**). Weaker tonnage turnovers and high funding costs as the gold price stays elevated have prompted many retailers to close stores, postpone expansion plans, or reduce their market exposure. ***45% of our survey respondents indicated plans to reduce gold product inventory going forward***, marking the third consecutive year in which the share of retailers planning to cut inventory has exceeded those planning to expand.

This aligns with China's current position in the economic cycle, as noted earlier. Under Kitchin Cycle theory, industries typically reduce inventories during periods of slowing growth, reflecting weaker demand and cautious sentiment.[3] This phase is usually followed by 'passive destocking', in which demand begins to recover but producers and retailers remain hesitant to replenish stock, causing inventories to fall further even as underlying demand improves – a pattern typically associated with the early stages of economic recovery.

But it is ***also important to note that over 40% of retailers chose to hold onto their gold inventories***. The narrow split between 'no change' and 'destocking' seems much softer than a sector's 'recession' would suggest. To us, it carries more signals of 'cautious recalibrating' rather than 'full-scale retreat'.

Confidence check: retailers remain confident in gold

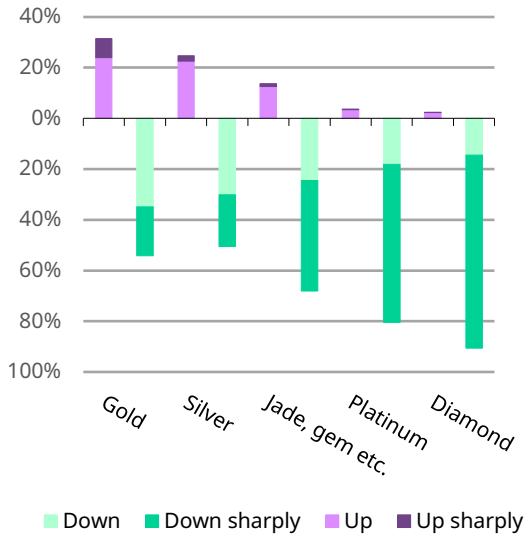
Confidence matters more than gold. This is particularly true now, a period where many retailers scaled back and tepid consumer demand intensified fears of future market developments. An industry's collapse usually starts with free-falling confidence, followed by panic sales or closure. ***Luckily, there are still more than one-third of retailers believing sales of gold products could pick up again, the highest of all jewellery categories,*** albeit the share is lower than previous years (**Chart 11, p9**). Interestingly, expectations for silver are the second most optimistic.

Retailers' confidence across gold jewellery categories broadly mirrors recent sales performance. Heritage gold jewellery leads, with more than one-third of respondents expecting sales to improve, followed by Hard Pure gold. The results point to a selective recovery, with growth likely to remain led by differentiated categories that combine emotional appeal, self-expression, and affordability. Additionally, high-end premium handcrafted Heritage gold products' outperformance in the past strengthened many industry participants' confidence that the polarisation of the Chinese gold jewellery market will deepen.

3. See: Economic Cycle Theories - Business Insider

Chart 11: Retailers still confident in gold

The share of survey respondents agreeing with each statement



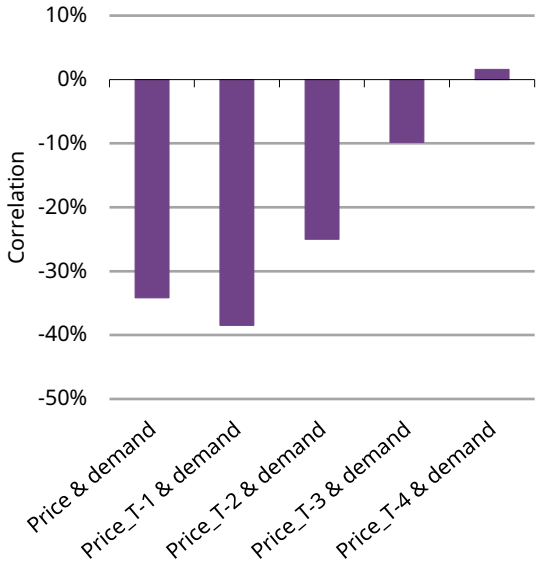
Source: China Gold News, World Gold Council

Retailers' confidence in gold jewellery is also reflected in how they interpret the recent weakness in consumption. ***More than 60% believe that many consumers have merely postponed their purchases in response to the unprecedented gold price rally, rather than abandoned them altogether***. They expect these consumers to return once they have adjusted their price expectations and become more accustomed to current price levels.

This view is consistent with our analysis of the sensitivity of gold jewellery demand to lagged gold prices (**Chart 12**). We find that a sharp price increase weighs significantly on demand in the same quarter, as consumers initially delay purchases, reduce product weights, or switch to lower-ticket items. However, this pressure gradually fades as consumers recalibrate their budgets and expectations. Over time, sustained price strength may even become supportive by reinforcing gold's perceived value preservation appeal and encouraging consumers to bring forward purchases in anticipation of further gains.

Chart 12: Gold price's impact on Chinese gold jewellery demand tends to fade over time

Correlation between quarterly gold price changes and jewellery demand changes with different lags*



*Quarterly data between Q1 2005 and Q2 2026. Gold price changes are based on Au9999's change in the quarter while gold jewellery demand changes are based on y/y changes in tonnage terms. Price_1 means price changes from the last quarter; Price_2 means price changes from the quarter before the last quarter, and so on.
Source: Metals Focus, Shanghai Gold Exchange, World Gold Council

Retailers go for lighter products

Retailers continue to recalibrate their product strategies in response to elevated gold prices and challenging macroeconomic conditions. Affordability remains a priority: ***more than 40% of respondents plan to increase their allocation to products weighing less than 5 grams (g), while 47% intend to expand offerings in the 5–10g range***. Overall, the share of retailers favouring products below 10g has risen notably from 60% in 2025, underscoring the industry's continued shift towards lightweighting. This suggests that lightweighting has evolved from a temporary response into a more structural product strategy.

Interestingly, most retailers don't plan to go lighter and cheaper. ***62% of our respondents plan to increase products with higher labour charges,*** which generally offer greater margins and place more emphasis on design and craftsmanship. The remainder are prioritising faster turnover by expanding lower labour-charge products, typically at the expense of margins. This divergence echoes our earlier observation: the market is increasingly polarised.

Conclusion

China's gold jewellery sector faces mounting headwinds: shrinking tonnage sales, contracting POS, and waning participant confidence. At the root of this lies subdued consumer confidence and cautious spending – both reflecting economic cycle rotation. China's economy transition, gradual and rough, from traditional-industry-led growth towards a high-tech-driven one has weighed on household confidence and growth momentum. Historically, such periods of economic softness dampen discretionary spending, and gold jewellery demand is no exception.

Amid this transition, industry navigation has never been more valuable. Our Chinese gold jewellery retailer survey – conducted for the seventh consecutive year in partnership with China Gold News – reveals a market that is recalibrating rather than retreating:

- *Gold retains its throne*
  Gold products remain the cornerstone of Chinese jewellery stores' offerings.
- *Value over volume*
  Despite falling tonnage, consumption value stays elevated, propelled by Hard Pure – whose buyers skew notably younger – and Heritage gold products.
- *Self-indulgence takes the wheel*
  These categories' outperformance underscores the rising importance of self-indulgent purchases as the primary driver of store visits.
- *Confidence delayed not defeated*
  Retailers remain broadly confident in future sales, with most viewing current softness as delayed rather than lost demand.
- *A cautious but split strategy.*
  Some retailers are trimming gold stock to ease funding costs, while a substantial portion are holding steady.

We share this cautious optimism. As economic cycles turn, so too does the outlook: recovery phases, which typically follow recession, tend to bring a rebound in discretionary spending, gold jewellery included.

We reiterate our point that China's gold jewellery industry is not collapsing; rather, it is recalibrating. The aforementioned divergence between volume and value points to a demand timing rather than demand destruction. Meanwhile, the structural repositioning of gold jewellery's role in Chinese consumer culture – from ceremonial value to self-expression – is arguably more consequential to the industry's long-term trajectory than any single price cycle, as it reshapes who buys, why they buy, and what will sustain demand once the current cycle turns.

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Published: September 2026