

Jewelry Market in Korea

5 March 2020

Embassy of the Netherlands, Seoul

Korean government has abolished two major tax structures for jewelry stone import in Korea in order to make the market more transparent from smuggling and stimulate the industry. There were three tax system applied to jewelry stones import in Korea. They consist of Individual Consumption Tax (ICT) for 26%, 1% Import Tariff for Rough Stone and 5% for Loose Stone and 10% Value Added Tax (VAT). ICT and Import Tariff are going to be relieved.

- Individual Consumption Tax was abolished in January 2019.
- Import Tariff for both Rough Stone (1% import tax) and Loose Stone (5% import tax) are also announced to be abolished for any countries by April 2020
- Import Tax Exemption is on following stones: Diamond, Ruby, Sapphire, Alexandrite, Chrysoberyl, Topaz, Spinel, Emerald, Aquamarine, Beryl, Tourmaline, Zircon, Chrysoirite, Garnet, Opal, Jade (except purgatory), Agate, Cat's eye, Malachite, Turquoise, Moonstone, Lapis Lazuli, Kunzite, Brassite, Hematite

The Jewelry Market in Korea, size of KRW 5.4 Trillion (€ 4.2 Billion), has been declining for last two years.

- Korean had tradition of giving jewelry sets and wedding rings to bride. However, decreasing young population and trend of simpler wedding caused less jewelry consumption in Korea.



SOURCE
WOLGOK JEWELRY RESEARCH CENTER
(https://w-jewel.or.kr/wjrc_main)

Despite of the total jewelry market decline for last two years in Korea, the Diamond stone import in Korea has been growing during the same period. 80-90% of the Diamond stone import in Korea was from India due to the Comprehensive Economic Partnership Agreement (CEPA) between India and South Korea, signed in 2009.

Diamond Export / Import in Korea

Unit: USD 1,000

HS 7102390000 Diamond



SOURCE
KITA-HS-7102390000

Amount of other precious stone import in Korea has declined from 2012 but the demand is bouncing back from 2017.

Other Precious Stones Export / Import in Korea

Unit: USD 1,000

HS 7103: Precious stones (other than diamonds) and semi-precious stones, whether or not worked or graded but not strung, mounted or set; ungraded precious stones (other than diamonds) and semi-precious stones, temporarily strung for convenience of transport



SOURCE
KITA-HS-7103

[Implication for Dutch businesses]

- Korean jewelry stone market was distorted with prevalent smuggling but the market expected to be more transparent and open for new international suppliers than India.
- Young Korean fashion jewelry brands are receiving more attention in Asia due to K-Pop and K-Wave trend in Asian countries. These brands are targeting younger generation with more affordable price and design. The companies has more potential to grow. The new trendy Korean jewelry brands includes:
Golden dew (<https://www.goldendew.com/brand/main/main.asp>)
J•ESTINA (<https://www.jestina.co.kr/>)
DIDIER DUBOT (<http://didierdubot.co.kr/>)

Joo-won Lee / Policy Officer
 Embassy of the Kingdom of the Netherlands, Seoul
joo-won.lee@minbuza.nl