

Silver Jewellery Sector in Nepal

In 2015, the total global silver jewellery production hit a historic high of 226.5 million ounces (7,045 tons), out of which 67 per cent was produced in Asia. India is the world's top silver jewellery producer and its booming export has been the main reason for moderate growth rates of the world silver jewellery market in the past years.

Nepal's silver jewellery production was 0.8 million ounces in 2015, making the country the ninth biggest silver jewellery producer in Asia. Nepal is struggling with declining export rates connected to constraints of the raw material supply (e.g. pure silver) as well as growing regional competitors. In the fiscal year 2015/16, the export value was of 1.2 million USD. It is estimated that in the silver jewellery sector, an important proportion of the exports is happening via informal channels - not reflected in official statistics.

Programme Name	Nepal-German Trade Promotion Programme (TPP)
Commissioned by	German Federal Ministry for Economic Cooperation and Development (BMZ)
Lead executing agency	Ministry of Commerce
Duration	February 2013 - December 2017

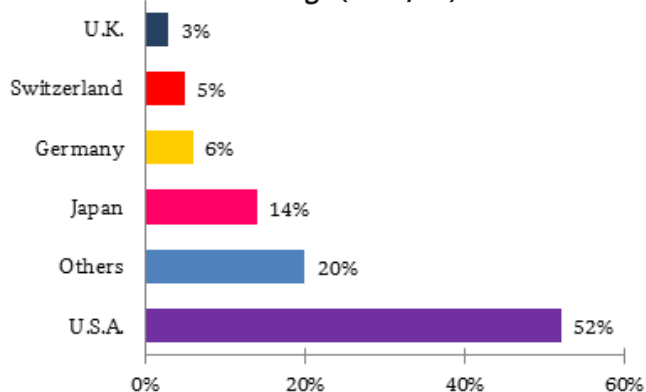
DID YOU KNOW?

The unique selling point for Nepalese silver jewellery is its traditional design which is completely handmade in a traditional process.

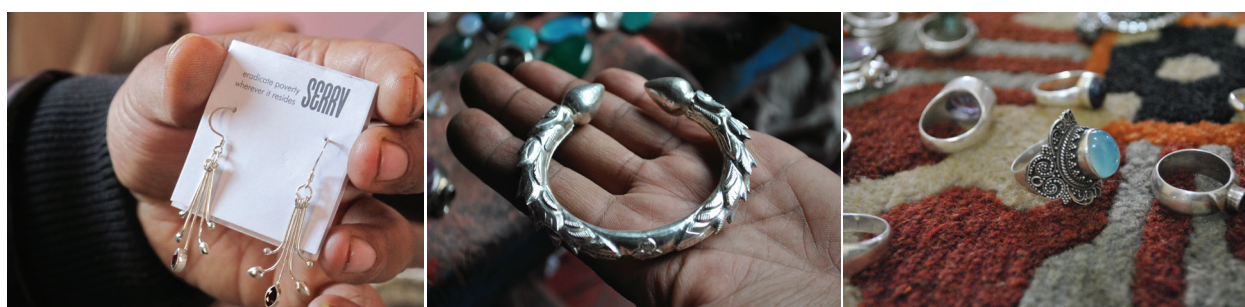
The silver jewellery sector is estimated to directly provide employment to 10,000 craftsmen.

Almost half of the total production of Nepalese silver jewellery is exported, the rest is for the domestic market.

Export Destinations of Nepali Silver Jewellery in Percentage (2015/16)



Silver jewellery is listed as "other export potential sector" in the Nepal Trade Integration Strategy (NTIS) 2016 and no longer as "priority product". The main challenges for the silver jewellery sector in Nepal remain product development and technology (e.g. automated manufacturing) and quality requirements of the international market. Support is provided to the Federation of Handicraft Associations of Nepal (FHAN) with regards to capacity enhancement, quality improvement and international market access. The programme has been working on the sector through various partner organizations for facilitating the participation of entrepreneurs in international trade fairs, exploring potential export markets in addition to enhancement in quality production and design.





List of GIZ publications on Silver Jewellery:

- Silver Jewellery, Market Entry Strategy (2014)
- Comparative Study on Silver Jewellery Policies of Different Countries in Asia (2014)
- Handmade Silver Jewellery in Nepal. An Analysis to Improve the Competitiveness in Six Selected Markets (2014)

Mr. Swoyambhu Ratna Tuladhar, Managing Director of Yak and Yeti Enterprises Pvt. Ltd, a Nepalese exporting company of Silver Jewellery and Handicraft Goods says,

“Our main export markets for silver jewellery are Europe, USA and China. For us quality production is the most crucial aspect beside our high production cost. In the last 6-7 years, Nepal was able to establish a metal testing laboratory. We have a metal testing machine to check the quality standard of our products to be able to meet international standards.”

SWOT Analysis of Silver Jewellery Sector

- Unique arts, design, and product development expertise
- High value added (40 to 50 per cent of export value)
- Affordable price level of the Nepalese jewellery



STRENGTHS

- Lack of sophisticated new technology (e.g laser machine, modern software for design)
- Lack of policy and institutional support to strengthen the competitiveness
- Limited production capacity



WEAKNESSES



OPPORTUNITIES

- Handcrafted jewellery corresponds well to the trend for personalised items
- Untapped potential in emerging markets (Russia, UAE, Brazil)
- Growing demand for ethical jewellery



THREATS

- Difficulty of competing on price (increased costs of components)
- Imitations of original Nepali designs by competitors
- Risk of reputation due to the practice of mixing of silver with cadmium or lead

Sources: Silver Jewellery exports from Nepal Status and way forward, published by GIZ 2011; Silver jewellery, Market Entry Study, published by GIZ 2014; NTIS 2010; World Silver Study 2016, published by the Silver Institute 2016; TEPC

Published by

Deutsche Gesellschaft für
Internationale Zusammenarbeit (GIZ) GmbH

Registered offices Bonn and Eschborn, Germany

Trade Promotion Programme (TPP)
National Trust for Nature Conservation (NTNC) Complex
Khumaltar, Lalitpur
T +977-1-5555289
F +977-1-5521712
E trade@giz.org.np
www.giz.de

Author(s)

Lisa Sophia Zoder

Layout

Ankur Shrestha

As at

July 2017

GIZ is responsible for the content of this publication.

In cooperation with



On behalf of

Federal Ministry for Economic
Cooperation and Development (BMZ)

Division

Development Cooperation with Asia and South-East Asia

Addresses of the BMZ offices

BMZ Bonn
Dahlmannstraße 4
53113 Bonn, Germany
T +49 228 99 535 - 0
F +49 228 99 535 - 3500

BMZ Berlin
Stresemannstraße 94
10963 Berlin, Germany
T +49 30 18 535 - 0
F +49 30 18 535 - 2501

poststelle@bmz.bund.de
www.bmz.de