

Platinum Surge in China

Mr Weibin Deng, Regional Head of Asia Pacific, WPIC



Mr Weibin Deng



The Fish-to-Dragon 1kg Platinum investment bar.
Picture credit: China Gold Coin Group

The wide platinum discount to gold is driving both platinum jewellery and platinum investment demand growth – a key focus as the World Platinum Investment Council (WPIC) looks ahead to Shanghai Platinum Week 2025

In Shuibei, Shenzhen, the heart of China's jewellery industry, a transformation is underway. New platinum showrooms are being established – over ten in the first four months of the year alone – and platinum counters are bustling with buyers. As some wholesalers are shifting toward platinum, influencers in the precious metals industry are referencing platinum shortages on platforms like Rednotes, Wechat and Douyin. April saw platinum imports into China reach 11.5 tons, the highest level in a year.

The latest data from WPIC shows that global demand for platinum jewellery got off to a strong start in the first quarter of 2025, increasing 9% year-on-year. For full year 2025 it is forecast to rise 5% to 2,114 koz, its second successive year of growth.

All regions are expected to perform well this year. Demand for platinum jewellery is forecast to rise 7% to a record high in Europe, with growth of 8% and 5% in North America and Japan, respectively. Meanwhile, India is expected to be down on the exceptionally high level of demand seen in 2024 as its exports to the US are potentially impacted by tariff uncertainty. That said, platinum jewellery demand in India this year is still expected to be elevated relative to historic levels.

SWITCHING TO PLATINUM

A key driver of the recent strength in demand for platinum jewellery is platinum's price discount to gold. As anecdotal evidence demonstrates, this is especially the case in China where year-on-year growth of 15% is expected in 2025, representing a remarkable turnaround for a market that only returned to growth last year after almost a decade of decline.

The elevated gold price seen through the first quarter of 2025 as a consequence of heightened geopolitical risk is having a negative impact on gold jewellery demand in China. Here, gold jewellery businesses have begun to switch from gold to lower-priced platinum jewellery, while some wholesalers and regional retailers have been taking profits by liquidating unsold gold inventory and building platinum stock. This isn't a top-down revival, but a grassroots movement. It could prove to be more sustainable as nationwide branded jewellery chains join this platinum resurgence.

Other initiatives, including successful product development and retailers' promotions via live broadcasting platforms, together with healthy demand for both menswear and unisex designs, are also supporting demand growth.

In China, jewellery has a quasi-investment status and, as well as witnessing a resurgence in platinum jewellery demand, it is experiencing unprecedented investment demand, also driven in part by the widening price gap between gold and platinum together with greater awareness of platinum as an investment and a credible addition to gold.

Prior to 2019, platinum investment demand in China was negligible. Yet last year it reached 226 koz, with particularly strong growth in the investment bars of 500g or above category which alone grew by 20% to 162 koz. This year, platinum investment demand in China is expected to rise a further 24% to 281 koz as demand for investment bars below 500g increases 48%, indicating a stronger demand from retail investors.

MARKET DEVELOPMENT YIELDING RESULTS

This growth has, in large part, been made possible thanks to the efforts of WPIC and its partners in China, which have resulted in far wider availability of platinum products. For example, China Gold Coin Group (CGCG) made history at the end of 2024 by launching its first-ever large-size platinum investment bar after resuming the issuance of platinum Panda coins in 2022. The 1kg bar, made of 99.95 per cent pure platinum, carries a specially-commissioned design inspired by the 'Fish Transforming into a Dragon' legend which is renowned in China. Its launch

was seen as especially significant as CGCG is a state-owned entity that plans and co-ordinates domestic supply of investment metals in consultation with the Chinese central bank, reflecting the extent to which interest in platinum as an investment asset is growing in China.

Meanwhile, Guangzhou Futures Exchange (GFEX), a Chinese national futures exchange dedicated to green commodities essential for the energy transition, has announced the introduction of platinum and palladium futures contracts which could be a game-changer for China. The planned RMB-denominated contracts would be the first platinum and palladium derivatives available in China, providing a mechanism for businesses involved in the market to hedge price risk and better manage their operations. For example, the removal of price risk would allow platinum jewellery and investment product fabricators to reduce the premium charged for platinum products as well as the discount on buyback.

Shanghai Platinum Week 2025

***From July 7–10, 2025,
the fifth successive
Shanghai Platinum Week
co-organised by WPIC,
will take place. Global
industry leaders, top
research institutions, and
policymakers will gather
to explore the platinum
group metals' strategic
role in China and beyond,
against the backdrop of
China's surging platinum
jewellery and platinum
investment demand.***