



# The Impact of Broad Tariffs on the U.S. Jewelry Industry

POSITION PAPER FROM JEWELERS OF AMERICA

## About Jewelers of America

Jewelers of America is the national trade association for business serving the fine jewelry marketplace. Our members include:



### **Retail Jewelers**

- Independents
- Regional & National Chains
- Department Stores
- E-Commerce

-----  
**4,000 Retail Member stores  
across the United States**



### **Suppliers**

- Jewelry Designers
- Manufacturers & Wholesalers
- Equipment, Supplies & Services
- Trade Press & Associations

-----  
**220 Supplier Member companies**

## Our Mission

Jewelers of America, the most trusted and influential voice of the jewelry industry, empowers and unites its members through expert guidance and advocacy, driving excellence, integrity, and success in an ever-changing marketplace.

## Our Vision

We envision a future where the jewelry industry thrives through trust, innovation, and meaningful connections, empowering every jeweler to create lasting, meaningful experiences for customers, while upholding the highest standards of craftsmanship and integrity.





# The Impact of Broad Tariffs on the U.S. Jewelry Industry

POSITION PAPER FROM JEWELERS OF AMERICA

## Introduction

Jewelers of America, the leading national trade association for businesses serving the American fine jewelry marketplace, expresses its sincere concern regarding the across-the-board tariffs on imported goods announced by the Trump administration. This position paper outlines the potential negative impacts of these tariffs on the U.S. jewelry industry and argues for a critical exemption for diamonds and finished fine jewelry. While Jewelers of America supports efforts to ensure fair trade practices, the current sweeping approach threatens the viability of numerous businesses, will increase costs for American consumers, and could cause major disruptions to a deeply interconnected global jewelry supply chain.

## Part 1: Impact on the U.S. Jewelry Industry

The U.S. jewelry industry is uniquely vulnerable to broad tariffs due to its total reliance on international trade for both raw materials and finished products. In 2023, the United States imported more than \$18 billion in natural diamonds, \$2.3 billion in precious gemstones, and \$13.5 billion in finished jewelry.

The newly imposed tariffs of 10 percent on imports from major jewelry producing and manufacturing countries like India and Botswana pose a grave threat to the industry on multiple fronts. Additional tariffs, if implemented, would further exacerbate the negative impacts including:

- **Increased Costs for Consumers:** Tariffs are paid by the U.S. importer and will be passed on to consumers through higher prices. In an environment already hit by inflation, these increased costs will lead American consumers to reduce discretionary spending, including on jewelry. As one Jewelers of America member shared, “adding tariffs when gold prices are already high could lead to the closure of many jewelry stores.”
- **Disruption of the Supply Chain:** The jewelry industry’s global supply chain, which involves intricate sourcing of goods and manufacturing processes across various countries, will be severely disrupted by these tariffs. Businesses make decisions months in advance, and the sudden imposition and uncertainty surrounding these tariffs create significant instability.
- **Harm to Small Businesses:** Sweeping tariffs disproportionately threaten small jewelry businesses by driving up costs on raw materials and finished jewelry. The uncertainty of an escalating trade war can weaken consumer confidence, negatively impacting sales and potentially jeopardizing the livelihoods of small retailers who form the backbone of the U.S. jewelry market. The National Retail Federation (NRF) has warned that the new duties will be “particularly harmful” to smaller retailers. The World Diamond Council (WDC), echoes these concerns, stating that tariffs will penalize over 17,000 independent small businesses on “Main Street” America.
- **Impact on Memo Goods:** The imposition of tariffs will severely impact the practice of importing goods on memo (consignment). Furthermore, tariffs paid on memo goods may not be refundable if the goods are not sold and are re-exported, as these AIPA tariffs are generally not eligible for drawbacks.
- **Past Negative Experiences:** The industry has already experienced the detrimental effects of tariffs, such as those imposed on jewelry packaging during a previous administration, which increased business costs and consumer prices. These past experiences underscore the potential for further tariffs to inflict additional harm.

## Part II: The Need for a Diamond and Finished Jewelry Exemption

Given the unique and global characteristics of the diamond industry, a specific exemption for diamonds and finished fine jewelry is essential to mitigate the most damaging consequences of these broad tariffs:

- **Global Sourcing and Manufacturing:** In a recent interview with CNBC, U.S. Secretary of Commerce Howard Lutnick made the point that the 10 percent tariff on imports only raises prices on products that are not made in America. His examples: mangos and cocoa.

He further explained, “We don’t grow cocoa in America... What you’re going to see is you’re going to see us relentlessly do trade deals everywhere in the world. And **when we do a trade deal with that country, we’re going to say cocoa does not have a tariff.**”

*(continued on next page)*

## The Impact of Broad Tariffs on the U.S. Jewelry Industry (*continued*)

---

Just as mangos and cocoa come from outside of the U.S., there are no major producing diamond mines in the United States. The diamond pipeline is global, with rough diamonds sourced from various regions and then often sent to specialized cutting and polishing centers like India. Tariffs on countries where diamonds are produced and manufactured will drastically increase the cost of diamond jewelry sold in the U.S. We are urging the administration to work out fair trade deals with those countries and have encouraged our trading partners to push their own governments toward such agreements.

- **Disproportionate Cost Increase:** Even a small tariff percentage on diamonds can lead to substantial cost increases due to the inherent value of these precious stones. While a 10 percent tariff on lower cost products may not be significant, one on diamonds and finished fine jewelry is. For example, a \$10,000 stone jumps by \$1,000. This type of increase could be particularly challenging for younger engagement and wedding customers, a key segment of jewelry purchasers.
- **Impact on U.S. Competitiveness:** Tariffs on diamonds will harm the competitiveness of U.S. jewelers by increasing their inventory costs and forcing them to raise prices, potentially driving consumers to purchase diamonds and finished fine jewelry from international markets not subject to these tariffs. The WDC states that tariffs will render the U.S. jewelry export industry uncompetitive and enhance the cost competitiveness of jewelry markets in China, India, and the European Union.
- **No Domestic Alternative:** There is no viable domestic alternative for most cut and polished diamonds needed to supply the U.S. market. The WDC emphasizes that rough diamonds are not commercially produced in the U.S., so tariffs cannot create U.S. jobs. Therefore, these tariffs will not incentivize domestic production but will simply serve as a tax on American consumers and businesses.

## Part III: Save American Jobs in the Fine Jewelry Industry

The United States Jewelry Council (USJC), an umbrella organization that serves the fine jewelry industry, estimates that jewelers “collectively provide over 190,000 American jobs in jewelry stores in communities all over the country” and “tens of thousands more people are employed to service them.”

We specifically call for an immediate exemption for diamonds and finished fine jewelry from these tariffs to protect the thousands of businesses and jobs within the U.S. jewelry industry and to prevent significant price increases for American consumers.

## Conclusion

Tariffs on diamonds and finished fine jewelry carry significant risks for the U.S. jewelry industry. The potential for increased costs, supply chain disruptions, harm to small businesses, and decreased consumer spending is substantial.

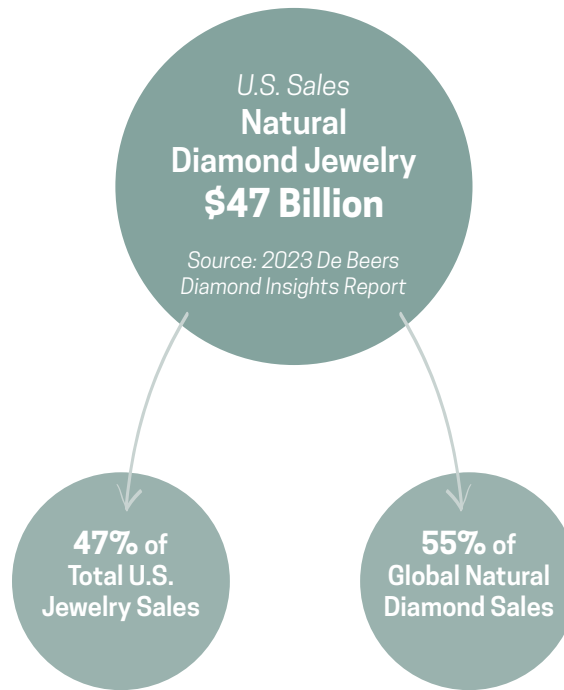
A critical exemption for diamonds and finished fine jewelry is essential to mitigate the most damaging consequences of these tariffs. We urge the administration to carefully reconsider its current approach and to pursue trade policies that promote fairness and stability without jeopardizing the future of the American jewelry industry and the affordability of jewelry.





# U.S. Jewelry & Diamond Market

## By The Numbers



U.S.  
**Retail & Wholesale  
Jewelry Employment**  
**147,539**

Source: U.S. B.L.S. 2023

**25%** of total U.S. jewelry sales, or \$26.2 billion, came from the top ten companies in 2024.

Based on 2024 retail jewelry sales.

**75%** of total U.S. jewelry sales, or \$78.5 billion, came from the rest of the industry comprised mainly of independent specialty retail jewelers.

Source: National Jeweler 2025 State of the Majors

### Top 10 U.S. Jewelry Sellers in North America:

(based on 2024 retail jewelry sales)

1. Signet Jewelers Ltd.
2. Walmart Inc.
3. Amazon.com Inc
4. Compagnie Financière Richemont SA
5. LVMH Moët Hennessy Louis Vuitton S.E.
6. Costco Wholesale Corp.
7. Macy's Inc.
8. Pandora A/S
9. Nonatum Capital Partners (Ross-Simons)
10. Bucherer Group