What Is the “Making Charge” or “Wastage” in Gold Jewellery, and How Is It Calculated?

Gold Prices & Rates · https://www.purejewels.com/faqs/gold-prices-rates/what-is-the-making-charge-or-wastage-in-gold-jewellery-and-how-is-it-calculated/

Every gold jewellery price at PureJewels is built from the same open formula:

Price = (Gram Weight × Today’s 22ct Gold Price Per Gram) + Making Charge + VAT at 20%

Nothing in that formula is hidden. Here is exactly what each part means, and a worked example showing how they add up.

What is a making charge?

The making charge is the cost of the goldsmith’s skill, the time, tools and expertise needed to turn raw gold into a finished piece. It is the one part of the price that isn’t the metal itself, and it rises with how much work the design takes:

- **Plain polished bangles and bands —** the lowest making charge; the goldsmith’s time is minimal.
- **Embossed and engraved pieces —** a medium making charge; surface detailing takes skilled hand work.
- **Jali filigree and handmade pieces —** the highest making charge; these are among the most labour-intensive forms of goldsmithing.

Making charges are also affected by whether a piece is mass-produced or individually crafted. Many of ours, particularly from the Armari and Rosettes collections, are made in limited numbers by our own goldsmiths.

A worked example

Here is how the formula comes together for a plain 22ct gold bangle weighing 10 grams:

Line item	Amount
Gold value (10g × today’s 22ct rate, ≈ £101/g)	≈ £1,010 (illustrative)
Making charge (plain finish)	20%-40%
Subtotal	gold value + making charge
VAT (20%)	20% of the subtotal
Total price	subtotal + VAT

The gold value above uses today’s approximate 22ct rate; update it to the live rate when publishing. The making charge depends on the specific piece, so ask our team for an exact quote before you buy.

What is wastage?

“Wastage” refers to the small amount of gold lost during manufacturing: the filings, sprues and offcuts that are a normal part of goldsmithing. In practice, it is usually built into the making charge rather than listed as a separate line. At PureJewels, the weight shown on a product listing is the weight of the finished piece, the actual gold you receive, not the raw weight before manufacturing.

Understanding the formula shows what you are really paying for: not simply grams of gold, but a piece that has been designed, worked and finished by hand. Browse our 22ct gold jewellery collection to see the designs, each listed with its exact gram weight, or check today’s gold price to work through the first line of the formula yourself. And if you want gold with no making charge at all, gold bars and coins are priced at just a small premium over the metal.

By Jayant Raniga, PureJewels Green Street

Jayant Raniga is the third-generation director of PureJewels, the family jewellers on Green Street, London, founded by his grandfather Bhanji Gokaldas in Nairobi in 1950.