



# The National Council of Wool Selling Brokers of Australia Inc

## NEWSLETTER

Gate 4  
29 Frederick Rd  
Tottenham Vic 3012

Phone: +61(0)419344259  
E-mail: [info@ncwsba.org](mailto:info@ncwsba.org)  
Twitter: @woolbrokersaus

17<sup>th</sup> April 2020

2020/13

### From the desk of Chris Wilcox, Executive Director

- Uneven price trends in the Australian wool market as A\$ jumps
- On-line wool auctions held this week in Australia
- IMF predicts large fall then recovery in all economies
- Weak clothing retail sales in 2019/20 Autumn/Winter
- IWTO Market Information report Edition 15 now available
- Upcoming industry events



### Wool consuming economies forecast to take a huge hit from Covid-19

The International Monetary Fund released new forecasts for economic growth in 2020 and 2021 for the world and forecasts for each country to account for the Covid-19 pandemic and the associated lockdowns and travel restrictions imposed by many countries. They make for pretty grim reading. The IMF says that *'This crisis is like no other...the loss associated with this health emergency and related containment measures likely dwarfs the losses that triggered the global financial crisis.'* Despite the considerable uncertainty about when containment measures will be eased around the world and the absence of a precedent from which to take guidance, the IMF has bravely taken a shot at predicting the impact on global economic growth in 2020 and 2021. It predicts a classic V-shaped impact – a sharp contraction in all economies before a sharp rebound in 2021. For world economic growth, the IMF forecasts that world economic output will fall by 3% in 2020 before bouncing back in 2021 by 5.8%. The predicted contraction in 2020 is much more than the 0.1% decline seen in 2009 in the wake of the Global Financial Crisis.

All of the major wool consuming countries and regions will see a large decline in economic output in 2020. The IMF predicts that China's economy will still grow in 2020, but by a measly 1.2% before growth of 9.2% in 2021. All the advanced economies will see a very strong contraction in 2020, led by Italy which is forecast to shrink by 9.1%. The IMF predicts that all advanced economies will then see a strong growth in 2021. Even with the rebound in 2021, all the advanced economies will be smaller by the end of 2021 than in 2019 before the Covid-19 pandemic.

**Further details, including a chart showing the trends in economic growth for these countries and regions starting in 2000, including the IMF's forecasts for 2020 and 2021 and details on the state of retail sales in the major wool consuming countries, can be read in the full version of this week's edition of the NCWSBA *Weekly Newsletter*. Available to NCWSBA members.**

#### INDUSTRY EVENTS

The **Australian Wool Production Forecasting Committee** meets on 29<sup>th</sup> April 2020.

**Wool Week** is scheduled for 27<sup>th</sup> and 28<sup>th</sup> August 2020. The NCWSBA Annual General Meeting is scheduled for Thursday, 27<sup>th</sup> August.

The **Nanjing Wool Market Conference** will be held in Haining, Zhejiang on 18<sup>th</sup> to 20<sup>th</sup> September 2020.

#### WOOL SALES WEEK BEGINNING 20<sup>th</sup> APR 2020 – week 43 (roster as at 15/4/2020)

<u>Sydney</u>	Tues, 21 <sup>st</sup> Apr; Wed 22 <sup>nd</sup> Apr	5,599 bales
<u>Melbourne</u>	Tues, 21 <sup>st</sup> Apr; Wed 22 <sup>nd</sup> Apr	18,930 bales
<u>Fremantle</u>	Tues, 21 <sup>st</sup> Apr; Wed 22 <sup>nd</sup> Apr	6,988 bales

*Information in the Weekly Newsletter is intended to provide general information only and is not intended to constitute advice for a specific purpose.*