



The National Council of Wool Selling Brokers of Australia Inc

NEWSLETTER

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2020/18

From the desk of Chris Wilcox, Executive Director

- Decline in Australian wool prices resumes
- The digital IWTO Congress 2020
 - Report on the Market Intelligence session
- Reminder - NCWSBA Wool Broker Award nominations open
- Upcoming industry events



IWTO 2020 Congress – Activity levels slump, stocks jump in global wool textile industry

The International Wool Textile Organisation 2020 Digital Congress was held on 21st to 23rd May. During the pre-recorded Market Intelligence session, Chris Wilcox (NCWSBA Executive Director) gave a presentation on the current situation and the outlook for the global wool industry. He reported the results from the annual survey of wool textile conditions from the IWTO, which are hugely negative for all sectors of the wool textile industry. Each sector, including garment making to weaving, knitting, spinning and early stage processing, has seen a massive drop in production activity levels this year in the midst of COVID-19. Surprisingly, the best performing sector was the interior textiles sector. Respondents expect a very small improvement by the end of the year, but conditions generally will remain poor.

As well, almost all sectors reported that stock levels lifted sharply this year. The exception was the garment making sector, but in all cases stocks were reported to be too high. Given this, the prospects of a recovery in raw wool demand in the near term are limited.

At the same time, world wool production will fall again in 2020 and 2021 from already low levels, with little evidence of an improvement in the near future. This will be mainly due to lower production of Merino wool and of wool used in apparel, notably due to lower production from Australia. In contrast, production of broad wool will be relatively steady and remain well above production of wool used in apparel.

Full details including charts showing the trends in production activity levels for each sector and trends in stock levels in each sector, as reported by the Survey, are provided in this week's edition of the NCWSBA *Weekly Newsletter*. Available to NCWSBA members.

INDUSTRY EVENTS

Wool Week is scheduled for 27th and 28th August 2020.

The **NCWSBA Annual General Meeting** is scheduled for Thursday, 27th August.

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

WOOL SALES WEEK BEGINNING 25 MAY 2020 – week 48 (roster as at 20/5/2020)

<u>Sydney</u>	
Tues 26 th May	5,576 bales
<u>Melbourne</u>	
Tues, 26 th May; Wed 27 th May	10,249 bales
<u>Fremantle</u>	
Wed, 27 th May	4,534 bales

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