



The National Council of Wool Selling Brokers of Australia Inc

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NEWSLETTER

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2020/31

From the desk of Chris Wilcox, Executive Director

- US\$ lifts, Australian wool prices rise in mixed week
- Australian wool exports to China lift, exports to Europe collapse
- Exports by most major wool exporting countries drop sharply
- Signs of improved raw wool demand by China
- Upcoming industry events



Raw wool demand drops, but tentative signs of improvement from China

The latest data on wool exports by the five major wool producing and exporting countries shows the extent of the decline in raw wool demand by the major wool processing countries so far in 2020. However, there are some tentative signs of improvement in the raw wool demand by China, the largest wool processing country.

Data on Australian wool exports in July shows that the volume of exports to all destinations were down by 8%. This decline came despite an 8% increase in exports to China. This is replicated in the wool exports from the three of the other five major wool producing and exporting countries (New Zealand, Uruguay and Argentina). For these three countries, the monthly declines in July were larger than for Australia. In July, the volume of exports from New Zealand, Argentina and Uruguay fell by 11%, 39% and 73% respectively. The exception among the five major wool exporters is South Africa, which is seeing higher exports compared with this time in 2019 because of last year's ban by China on imports from South Africa due to an outbreak of Foot & Mouth Disease.

Exports to China from these five major wool exporting countries saw only a small decline, down by 1.9%. This follows an increase in June. These two monthly figures are encouraging for signs of improved demand for raw wool by mills in China. Exports to Italy were down by 14%, exports to the Czech Republic were down by 38% and exports to 'other' European countries (includes Bulgaria and the UK) were down by 32%. Exports to India fell by 12% while exports to 'other' countries (which includes Egypt, Malaysia, Japan, Korea, Taiwan and Thailand) fell by 39%.

Further details including two charts showing the exports from each of the major exporting countries and imports by the major wool processing countries, are provided in this week's edition of the *Weekly Newsletter*. Available to NCWSBA members.

INDUSTRY EVENTS

AWTA will hold its Annual General Meeting on Friday, 16th October 2020.

The **2020 IWTO Round Table** will be held by Webex on 30th November to 2nd December.

The **2021 IWTO Congress** is scheduled to be held in Kyoto, Japan in May 2021.

WOOL SALES WEEK BEGINNING 14th SEPT 2020 – week 12 (roster as at 9/9/2020)

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| <u>Sydney</u> | Tues, 15 th Sep; Wed 16 th Sep | 8,675 bales |
| <u>Melbourne</u> | Tues, 15 th Sep; Wed 16 th Sep | 19,525 bales |
| <u>Fremantle</u> | Wed, 16 th Sep | 5,358 bales |

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