



The National Council of Wool Selling Brokers of Australia Inc

Gate 4
29 Frederick Rd
Tottenham Vic 3012

NEWSLETTER

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



20th November 2020

2020/38

From the desk of Chris Wilcox, Executive Director

- Australian wool prices fall back
- Consumer confidence recovers amid second COVID wave worries
- Retail sales in some countries show tentative signs of recovery
- Register for the IWTO virtual Wool Roundtable
- Other upcoming industry events



Tentative signs of higher retail sales as consumer's become a little more confident

We are into the second month of the Autumn/Winter retail season in the Northern Hemisphere, a critical season for sales of wool clothing. Given what has happened this year with the awful toll of COVID-19 and the associated restrictions and now the second wave of infections rising in Europe, the US and, to a lesser extent, Japan, it is time to take stock on how consumer confidence and retail sales are shaping up in the major wool consuming countries in the Northern Hemisphere.

Consumer confidence in the major wool consuming countries has mostly recovered from the initial hit earlier this year caused by the COVID 19 pandemic. Of the major wool consuming EU countries, consumers in the UK and Italy are the least confident, which is no surprise given that those two countries are being hit hardest by the second wave of COVID-19. Consumers in Germany are more confident. Consumers in Japan and South Korea are becoming increasingly confident, helped by a better management of COVID-19 in those countries.

These weak but recovering consumer confidence levels translate into some improvement in retail sales of clothing for some countries, but not all. There are some tentative signs of improvement in the US, China, Japan and South Korea. However, the decline in retail sales shows no sign of abating in the UK, while retail sales in France and Italy appear to have bottomed out. Despite an improvement, the growth rate of retail sales of clothing in China (the world's largest retail consumer of wool clothing) is still negative on a 12-month moving average basis. A positive is that one of the major shopping events in China (and increasingly being adopted around the world), Single's Day, on 11th November broke sales records for the major retail trading platforms, including JD.com and Alibaba. This provides hope that the recent moderate improvement in clothing retail sales in China is starting to gather momentum.

Further details including two charts, one showing the trends in consumer confidence in the major wool consuming countries and one showing the trends in clothing retail sales growth, are provided in the full version of this week's *Weekly Newsletter*. Available to NCWSBA members.

INDUSTRY EVENTS

The **2020 IWTO Round Table** will be held by Webex on 30th November to 2nd December. Click [here to register](#).

The **Australian Wool Production Forecasting Committee** will meet on 16th December 2020 to review its current forecast of wool production for the 2020/21 season.

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

WOOL SALES WEEK BEGINNING 23rd NOV 2020 – week 22 (roster as at 18/11/2020)

<u>Sydney</u>	Tues 24 th Nov; Wed, 25 th Nov	10,858 bales
<u>Melbourne</u>	Tues 24 th Nov; Wed, 25 th Nov	22,971 bales
<u>Fremantle</u>	Tues 24 th Nov; Wed, 25 th Nov	7,698 bales

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