



The National Council of Wool Selling Brokers of Australia Inc

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NEWSLETTER

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2021/14

From the desk of Chris Wilcox, Executive Director

- Strong lift in prices for fine Merino wool at Australian auctions
- Launch of the 2021 NCWSBA Wool Broker Award
- Better economic outlook for 2021 & 2022
- Australia's Sheep Sustainability Framework now available
- Upcoming industry events



Global economy on the recovery path, but uncertainties remain

Recently the International Monetary Fund released new forecasts for economic growth for the world and for each country. They make for better, more hopeful reading than 12 months ago when COVID-19 was first hitting the countries of the world. The IMF says that *'Global prospects remain highly uncertain one year into the pandemic. New virus mutations and the accumulating human toll raise concerns, even as growing vaccine coverage lifts sentiment. Economic recoveries are diverging across countries and sectors, reflecting variation in pandemic-induced disruptions and the extent of policy support.'*

The good thing is that the decline in economic growth in 2020 was not quite as fierce as the IMF predicted in April 2020 or in October 2020. As well, the rebound in economic growth in 2021 and in 2022 is predicted to be stronger than the IMF expected in October. After a contraction of 3.3% in the global economy in 2020 (and a 4.7% drop in the advanced economies), the IMF now expects the global economy to grow by 6% in 2021 and then by 4.4% in 2022. The advanced economies are expected to grow by 5.1% in 2021 and by 3.6% in 2022. For China, the IMF estimates that economic growth slowed to 2.3% in 2020 and will rebound by 8.6% in 2021 before returning to the pre-COVID growth rate of 6% in 2022.

The variation in the recovery from the pandemic between countries is best illustrated by which year the economies of each of the major wool consuming country will be back to or above the pre-pandemic 2019 levels. The economies of China, the US and Korea will all be back to or greater than the 2019 level this year (2021). Japan, Germany and France will be back to 2019 levels in 2022, while the UK will be back to the 2019 level in 2023. Italy's economy is the worst affected of the major wool consuming countries and won't be back to 2019 levels until 2023.

Further details, including a chart showing the forecasts of economic growth in the eight major wool consuming countries weighted according to the estimated wool consumption, are provided in this week's edition of the NCWSBA Weekly Newsletter.

INDUSTRY EVENTS

The national committee of the **Australian Wool Production Forecasting Committee** will meet on 28th April 2021.

The **2021 IWTO Congress** will be held as a virtual event on 17th to 21st May 2021 by WebEx. Details [here](#).

The **NCWSBA Annual General Meeting and Forum** will be held on Thursday, 26th August in Melbourne as part of Wool Week 2021.

WOOL SALES WEEK BEGINNING 26th APRIL 2021 – week 44 (roster as at 22/4/2021)

Melbourne

Tues 27th Apr, Wed 28th Apr, Thurs, 29th Apr 27,286 bales

Sydney

Tues 27th Apr, Wed 28th Apr 12,493 bales

Fremantle

Tues 27th Apr, Wed 28th Apr 11,042 bales

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