



The National Council of Wool Selling Brokers of Australia Inc

NEWSLETTER

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2018/33

From the desk of Chris Wilcox, Executive Director

- Australian wool prices soften
- That's not a trade war - this is a trade war! China-US trade dispute hits wool products
- ABARES' latest forecasts for wool and sheep
- AWI Review of Performance implementation portal
- Mulesing ban in NZ
- Upcoming industry events



Wool products included in third batch of US penalty duties on Chinese products

Tensions between the US and China broke out into a full-scale trade war this week as the US announced a third round of import tariffs on goods from China. This latest batch imposes a 10% import duty on US\$200 billion of goods from China (effective from 24th September). The first two rounds earlier this year imposed 25% tariffs on US\$50 billion of goods imported from China. China retaliated each time with its own punitive import duties on US products, such as cotton, soybeans, wine, fruit and beef. The latest round of US duties means that around 44% of China's exports to the US now have excess duties imposed. Until now the products included in the first two rounds of import duties by the US did not include many, if any wool products. However, this week's list includes a range of wool and wool-related products, including lanolin, sheep skins, greasy wool, scoured wool, carbonised wool, noils, carded wool, wool tops, worsted and woollen wool yarn (pure and wool blend), worsted and woollen woven wool fabric (pure and wool blend), worsted and woollen knitted wool fabric (pure and wool blend), wool and wool blend carpets and wool hats.

Thankfully, the list does not include any finished wool or wool blend clothing, such as suits, jumpers, trousers, coats, overcoats and so on. From Australia's perspective, these are critical. These products make up the vast majority of US imports of apparel-related wool products from China. China accounts for 53% of all US imports of wool clothing (knitted and woven). So, an extra duty would hurt the trade by pushing the price paid by US consumers higher.

Further details are included in the NCWSBA Weekly Newsletter for the week ending 21st September 2018, available to NCWSBA members.

INDUSTRY EVENTS

The **AWTA Annual General Meeting** will be held in Melbourne on Friday, 19th October 2018.

The **IWTO 2018 Roundtable** will be held in Buenos Aires on 3rd to 4th December 2018.

The **IWTO 2019 Congress** will be held in Venice on 9th to 11th April 2019.

WOOL SALES WEEK BEGINNING 24th SEPT 2018 – week 13 (roster as at 20/9/2018)

<u>Sydney</u>	Wed, 26 th Sep; Thurs, 27 th Sep	10,451 bales
<u>Melbourne</u>	Tues, 25 th Sep; Wed, 26 th Sep	17,671 bales
<u>Fremantle</u>	Wed, 26 th Sep; Thurs, 27 th Sep	6,722 bales

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