# The National Council of Wool Selling Brokers of Australia Inc

# NEWSLETTER



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21st June 2019 2019/23

**From the desk of Chris Wilcox, Executive Director**

- Australian wool prices continue to fall
- Wool exports from the five major exporters declines
- China leads the drop in raw wool demand
- New Notifiable Disease notification app from the Victorian Government
- Upcoming industry events

## Global raw wool demand declines, led by China

Australian wool prices have fallen steadily in the past few months due to lower demand for raw wool. This fall in demand is illustrated by the decline in the volume of wool exported by the five major wool exporting countries. For the 2018/19 season to April, total wool exports from these five countries were 11% lower than for the same period in 2017/18. At just 455 mkg greasy, it is the lowest total export volume from these countries at least since 2009/10 and probably for many years. There was a large 32% drop for South African wool export, largely the result of the temporary cessation of imports of South African wool by China due to the Foot-and-Mouth Disease outbreak. Australia's wool production is forecast to fall by 12.6% this season, although export volumes are only down by 10%, presumably because there has been some wool sold from stocks. New Zealand's wool exports were down by 10% so far this season, even though its production is expected to be virtually static. Argentina's wool production is expected to increase by 3% this season, so the 5% drop in exports is due to lower demand. Uruguay's wool production is also expected to be static, so the 5% fall in exports similarly reflects lower demand.

The decline in demand for raw wool demand is being led by a sharp drop in demand by China. Exports of raw wool to China from the five major wool producing countries has dropped by 14% for the 2018/19 season to date. The volume of wool exported to China is well below the level of any of the previous nine seasons (at least). Most other wool processing countries have also recorded declines in wool volumes imported, although 'Other Europe' has seen a 4% lift courtesy of an increase in exports to Bulgaria and the UK. Exports to 'Other' countries has also increased as exports to Thailand and East Asia have risen.

**Further details, including a chart showing the total exports by each of the five major wool exporting countries for the past six seasons to April and another chart of imports by the major wool processing countries is shown in this week's edition of the NCWSBA *Weekly Newsletter*, available to NCWSBA members.**

**INDUSTRY EVENTS**

The **NCWSBA AGM** will be held in Melbourne on 22nd August 2019 in Melbourne, as part of Wool Week.

The **Nanjing Wool Market Conference** will be held in Qufu, Shandong on 20th to 23rd September 2019.

The **2019 IWTO Round Table** will be in held in Queenstown, New Zealand on 2nd to 3rd December 2019.

The **2020 IWTO Annual Congress** will be held in Tongxiang, China on 18th to 20th May 2020.

**WOOL SALES WEEK BEGINNING 24th JUNE 2019 – week 52 (roster as at 20/6/2019)**

| | |
|---|---|
| Sydney | |
| Wed, 26th June Thurs, 27th June | 8,073 bales |
| Melbourne | |
| Wed, 26th June Thurs, 27th June | 15,573 bales |
| Fremantle | |
| Wed, 26th June Thurs, 27th June | 7,226 bales |