



The National Council of Wool Selling Brokers of Australia Inc

NEWSLETTER

Gate 4
29 Frederick Rd
Tottenham Vic 3012

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

6th September 2019

2019/32

From the desk of Chris Wilcox, Executive Director

- Australian wool prices steady a little after horrid August
- US imposes 15% duty on wool clothing imports from China
- AWTAs wool tests fall by 19% in August
- NWD uptake lifts as supply falls
- Low rainfall continues in August for drought-affected areas
- Upcoming industry events



US imposes additional 15% duty of wool clothing imports from China

Australian wool prices fell sharply in August, with the Eastern Market Indicator down by 322 Acents (or 22%) from the start to the end of the month. It was a similar percentage drop in US\$, Euro and Renminbi. This is one of the largest monthly % declines since 1991, with a similar % decline seen (for example) in May 2003 after the SARS outbreak in China.

The decline in Merino wool prices over the past month comes amid the backdrop of the US Government introducing a 15% additional duty on imports of wool clothing from China, effective from 1st September 2019. This is higher than the original additional 10% duty previously advised. The higher level was announced by the Office of the US Trade Representative on 30th August after China had itself announced new additional duties on a range of products imported from the US. These additional duties on wool clothing imports by the US from China are included in a list of a range of products imported from China. Because the additional duties are applied as of 1st September, it directly affects the US imports of wool clothing imported in time for the crucial Autumn/Winter season in the US. Around 45% of the annual total of US imports of wool clothing from China is imported in the September-December period. And, over half of the US imports of wool clothing each year is supplied by China. A second batch of products imported from China will have the additional 15% duty imposed on 15th December, although this list appears to contain little or no wool products.

Further details, including a chart showing the trends in the EMI in A\$, US\$ and Euro over the past 30 years, are provided in the full version of the *Weekly Newsletter*. Available to NCWSBA members.

INDUSTRY EVENTS

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

The **2019 IWTO Round Table** will be 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 9TH SEPT 2019 – week 11 (roster as at 5/9/2019)

Sydney

Wed, 11th September 6,289 bales

Melbourne

Wed, 11th Sept; Thurs, 12th Sept 16,237 bales

Fremantle

Wed, 11th Sept; Thurs, 12th Sept 5,397 bales

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