



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

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2019/35

From the desk of Chris Wilcox, Executive Director

- Australian wool prices stabilise
- Report from the 2019 Nanjing Wool Market Conference
- Upcoming industry events



Report from the Nanjing Wool Market Conference: High stocks in China wool textile industry

The Nanjing Wool Market Conference was held on 21st and 22nd September in Qufu, China. The mood of many of the attendees and of the presenters was quite pessimistic. Their concerns stem from the US-China trade war and its effect, not just directly for the wool textile industry in China, but also on economic growth and consumer confidence in China, as well as the impact on other economies. Demand through the wool textile industry has slowed, not just in China but around the world, and stocks have built up.

Madam Yang Xiaoxiong, Chairwoman of the Nanjing Wool Market, gave a presentation capturing the key concerns for the Chinese wool textile industry, including how stocks have risen. She presented data showing the annual supply and demand/usage of wool in China's early stage processing industry from 2016, as well as the starting and finishing inventory levels each year, as estimated by the Nanjing Wool Market. Stocks of wool in the Chinese early stage processing industry rose rapidly in 2018 and in the first six months of 2019. As of June 2019, stocks were more than double the level seen at the start of 2016. These stocks will need to clear before we see a solid foundation for raw wool demand. Madam Yang then went through a case-study of the evolution of the double-faced coat market from the euphoria of 2015/16 to the 'winter' of the current market. She also looked at the more recent rise of the 'fake' fur coat market.

Further details on the Nanjing Wool Market Conference, including a chart showing the annual supply, usage and stocks of wool in the Chinese wool textile industry, are provided in the full version of the NCWSBA Weekly Newsletter. Available to NCWSBA members.

INDUSTRY EVENTS

The 2019 AWTA Annual General Meeting will be held in Melbourne on Friday, 18th October 2019.

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

The **NCWBA Centenary Auction and Cocktail Reception** will be held in Melbourne on Thursday, 20th February 2020.

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

WOOL SALES WEEK BEGINNING 30th SEPT 2019 – week 14 (roster as at 26/9/2019)

Sydney

Wed, 2nd Oct; Thurs, 3rd Oct 10,464 bales

Melbourne

Wed, 2nd Oct; Thurs, 3rd Oct 21,758 bales

Fremantle

Wed, 2nd Oct; Thurs, 3rd Oct 8,777 bales

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