



Gate 4  
29 Frederick Rd  
Tottenham Vic 3012

# The National Council of Wool Selling Brokers of Australia Inc

## NEWSLETTER

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



11<sup>th</sup> October 2019

2019/37

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

- After the wool price fall comes a rise, then a fall, then a rise...
- NCWSBA Centenary celebrations February 2020
- Exports from the five major exporting countries fall sharply
- Raw wool demand by all the major processing countries declines
- Upcoming industry events



### Raw wool demand falls

Wool prices have dropped sharply in the past few months, reflecting sharply lower demand and comes despite the lower volumes of wool available from Australia. The fall in demand is illustrated by the decline in the volume of wool exported by the five major wool exporting countries (Australia, New Zealand, Argentina, South Africa and Uruguay). For the first eight months of 2019, total wool exports from these five countries were 11% lower than for the same period in 2018. At just 352 mkg greasy, it is the lowest total export volume from these countries for a year to August at least since 2009 (which is when my databases start) and probably for many years before that. The largest decline is for South Africa, the result of the ban on imports of South African wool by China due to the Foot-and-Mouth Disease outbreak. As you know, Australia's wool production has been hit hard by drought in many parts of the country, which has contributed to the 13% decline for the 12 months to August. But demand has also weakened. New Zealand's wool exports were down by 10%, even though its production was 2.5% lower in 2018/19 and is expected to be 1% higher this season. Argentina's exports were down by 8% and Uruguay's wool exports were 9% lower.

All the major processing countries have contributed to the decline in demand for raw wool. Exports of raw wool to China dropped by 16% for the 12 months to August 2019, with the volume of wool well below the level since at least 2009. The other major processing countries also recorded declines in wool volumes imported, with drops of 14% for India, 18% for Italy, and 16% for the Czech Republic. 'Other Europe' saw a smaller 3% decline courtesy of increased exports to Bulgaria. Exports to 'Other' countries fell by just 4% due to better exports to Thailand and East Asia.

Further details are given in the full edition of this week's NCWSBA Weekly Newsletter. This includes a chart showing the trends in the % change year-on-year in the 12-month moving aggregate of exports from each of the five countries and a second Chart showing the trends in imports by the major processing countries. Available to NCWSBA members.

### INDUSTRY EVENTS

The **2019 AWTA Annual General Meeting** will be held in Melbourne on Friday, 18<sup>th</sup> October 2019.

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

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

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

### WOOL SALES WEEK BEGINNING 14<sup>th</sup> OCT 2019 – week 16 (roster as at 10/10/2019)

#### Sydney

Wed, 16<sup>th</sup> Oct; Thurs, 17<sup>th</sup> Oct 11,113 bales

#### Melbourne

Wed, 16<sup>th</sup> Oct; Thurs, 17<sup>th</sup> Oct 21,108 bales

#### Fremantle

Wed, 16<sup>th</sup> Oct; Thurs, 17<sup>th</sup> Oct 7,835 bales