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# The National Council of Wool Selling Brokers of Australia Inc

## NEWSLETTER

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

- Volatility resumes - Australian wool prices retreat
- US-China trade dispute – the latest
- US wool clothing imports from China slump in September
- NM, CM and PR wool account for more than half wool offered
- Upcoming industry events



### US imports of wool clothing from China slump in September

There are signs in recent weeks of an easing in the tensions between the US and China on the trade front. There has been progress in negotiations between the two countries with reports in the media that the US will hold off from imposing the new additional tariffs on the remaining Chinese goods planned for December. In return, China would begin to remove the embargo it has placed on imports of US agricultural products which has hurt the Mid-West farmers in the US. The Chinese negotiators are also seeking removal of the tariff hike on a large range of products that the US launched in September. Those products included wool clothing.

The impact of the additional 15% import tariffs imposed by the US imports of wool apparel from China in September can be seen in the latest import data from the US. US imports of wool clothing were up sharply in June and July, both in aggregate and from China. That sharp increase was reversed in August and in particular in September. US imports of wool clothing from China slumped by 16% year-on-year by quantity and by 13% in value. Given that China accounts for around half of US imports of wool clothing, this meant that total imports of wool clothing by the US fell in September by 5% in quantity but by just 0.3% in value. US imports from other sources leapt in September, with imports from Italy, Vietnam and a number of other countries surging. Imports from Italy in September jumped by 40% (quantity) and by 18% (value), while imports from Vietnam were up by 37% (quantity) and by 52% (value). These increases, plus lifts in imports from a range of other countries, partly offset the decline in imports from China.

Let's hope that the US and China reached agreement very soon and that the agreement includes removal of the higher duties on wool clothing.

**Further details, including a chart showing the monthly year-on-year change in US imports of wool clothing in total and by source country and the drop in August and September, are in the full edition of this week's edition of the NCWSBA Weekly Newsletter. Available to members.**

#### INDUSTRY EVENTS

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 18<sup>th</sup> NOV 2019 – week 21 (roster as at 14/11/2019)

<u>Sydney</u>	
Wed, 20 <sup>th</sup> Nov; Thurs, 21 <sup>st</sup> Nov	10,015 bales
<u>Melbourne</u>	
Wed, 20 <sup>th</sup> Nov; Thurs, 21 <sup>st</sup> Nov	21,779 bales
<u>Fremantle</u>	
Wed, 20 <sup>th</sup> Nov; Thurs, 21 <sup>st</sup> Nov	8,932 bales

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