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NEWSLETTER

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From the desk of Chris Wilcox, Executive Director

- Wool prices ease in Australian wool market as coronavirus restrictions continue in China
- Australian wool exports fall sharply in December
- US imports of wool clothing from China slump
- NCWSBA Centenary auction and cocktail reception on 20th February
- Upcoming industry events



Slump in US imports of wool clothing from China due to penalty import duties

The Covid-19 outbreak isn't the only challenge that the wool textile industry in China is facing. The industry is also dealing with the impact of the additional 15% import tariffs imposed by the US on imports of wool apparel from China in September. After a sharp decline in imports of wool clothing from China by the US, this decline continued in October and November. The quantity of US imports of wool clothing from China slumped by 44% year-on-year in October and by a further 34% in November. The value of imports from China fell by 37% and 36% for each month.

US importers have redirected their sourcing to other countries. For the three months September to November, US Imports of wool clothing from Italy were up by 13% in quantity and by 5% in value. Imports from Vietnam were up by 10% (quantity) and by 29% (value), while imports from India were 13% and 23% higher in quantity and value terms. These increases partly offset the decline in imports from China. Even so, as China accounts for around half of US imports of wool clothing, total quantity of imports of wool clothing from all sources by the US fell by 17% in quantity for the September-November period and by 15% in value for the three months.

Usually, the August to December period is the peak time for US imports of wool clothing each year and accounts for around half the annual imports. This year, however, there was a sharp lift in imports of wool clothing in June and July as US importers anticipated the penalty duty on imports from China. This, and the redirection of sourcing away from China to the other countries, meant that the US' total wool clothing imports for 2019 to November were only down a little in quantity terms (-2.3%) but were up by 1.5% in value terms, despite the large declines in the September to November period.

Further details including a chart showing the latest month by month movements in US imports of wool clothing in total and by major source is contained in the full edition of the *Weekly Newsletter*. Available to NCWSBA members.

INDUSTRY EVENTS

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

The **Australia Wool Production Forecasting Committee** meets on 29th April 2020 in Melbourne.

WOOL SALES WEEK BEGINNING 17th FEB 2020 – week 34 (roster as at 6/2/2020) Excludes wool offered for the NCWSBA Centenary Auction

Sydney

Wed, 19th Feb, Thurs 20th Feb 8,508 bales

Melbourne

Tues, 18th Feb, Wed, 19th Feb, Thurs 20th Feb 22,369 bales

Fremantle

Wed, 19th Feb, Thurs 20th Feb 12,073 bales

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