

# 27th International Wool Trade Fair & Information Conference



*CCWG trade show booth attracts attention*

The 27th International Wool Trade Fair & Information Conference was held in Qingdao successfully. Nearly 500 representatives from 26 countries attended the three-day conference.

On behalf of Nanjing Wool Market, I would like to express my sincere appreciation to wool promoting and testing authorities such as Federation of Australian Wool Organizations, the Woolmark Company, Australian Wool Testing Authority, Australian Wool Exchange Ltd., Australia Council of Wool Exporters & Processors, National Council of New Zealand Wool Interests, New Zealand Wool Testing Authority, Wools of New Zealand, New Zealand Council of Wool Exporters Inc, British Wool Marketing Board, Wool Testing Authority Europe, American Sheep Industry Association and so on.



*Delegates attending the 27th International Wool Trade Fair & Information Conference*

The 85th IWTO Congress will be held in Sydney. NWM 8th overseas training institution is supported by Australia friends. We will attend the IWTO congress by groups and welcome you to join us.

Then, I would like to extend my special appreciation to all the sponsors – The Woolmark Company, Zhejiang Red Sun Wool Textile Co., Ltd., Changzhou Yuyang Resources Co., Ltd., Jiangsu Chafta Technology Corporation, Jiangyin Haoye Textile Co., Ltd., Jiaxing Mount Chemical Co., Ltd., Cavalier Woolsourers, Changzhou Huaji Wool Products Co., Ltd.; as well as 61 VIP Companies and local enterprises Shandong Oriental Seagull Trading Co., Ltd.. Thank you for the support and faith you have placed in us. We cherish every chance to have you around.

Besides, thank you to all the participants for travelling long distance from your country to Nanjing, for listening carefully on the information conference, for communicating with guests on 7th Global Wool Summit, for speaking out freely on 5th International Wool Salon, for negotiating and trading on wool trade fair, for healthy walking along the coast, and for everything!

Your support makes us full of confidence and motivation. Looking forward to seeing you next September!

Let's have a toast for the healthy development of global wool industry.

Nanjing Wool Market  
Chairwoman  
Yang Xiaoxiong



# 2014 Nanjing Wool Market Conference and Trade Show

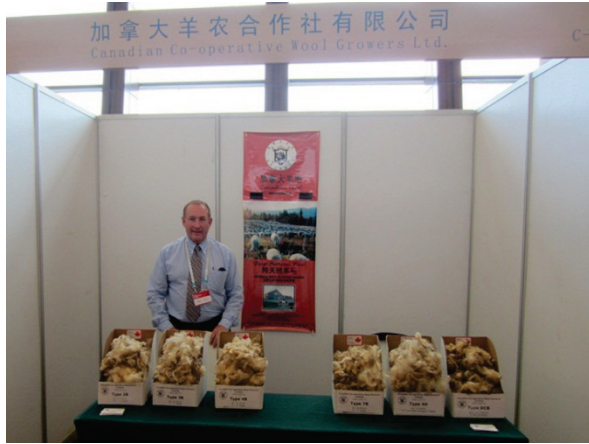


Eric Bjergso, CCWG General Manager attended the 26<sup>th</sup> China International Wool Trade Fair and Information Conference which was held in Nanjing from September 12<sup>th</sup> – 14<sup>th</sup>, 2014. Over 500 representatives from more than 20 countries around the world attended this annual event. Canadian wool was again on display and over 500,000 pounds was contracted for prompt shipment and forward sales.

For more information on the conference: [www.woolmarket.com.cn/en](http://www.woolmarket.com.cn/en)



Eric Bjergso, CCWG General Manager discusses Canadian wool with Chinese and other international wool buyers.



Eric Bjergso, CCWG General Manager attended the 25<sup>th</sup> China International Wool Trade Fair and Information Conference which was recently held in Suzhou, China from September 14<sup>th</sup> – 16<sup>th</sup>. Canadian wool was on display at the trade fair and we successfully negotiated a number of contracts for delivery through to February 2014. In the photo, Paul Wang, Assistant General Manager of Shanghai Favors Import & Export Co. Ltd. discusses Canadian wool with Eric Bjergso.

For more information on the conference, please review the following press releases.

### **25th Nanjing Wool Market Conference 2013**

<http://www.woolnews.net/news/25th-nanjing-wool-market-conference-2013/>

Nanjing Wool Market Conference 2013 was held in Suzhou on 14 – 16 September.

It was attended by some 500 delegates and dignitaries with more than 100 delegates from outside China.

Chinese government officials briefed delegates on the economic situation of the wool textile industry in China as well as the wool outlook for the coming 12 months.

Speakers included China National Textile and Apparel Council, SDIC International Trade Company, China Wool Textile Association, and the Market intelligence Committee of the International Wool Textile Organisation, and Market Intelligence of Australian Wool Innovation.

Most presentations painted a 'cautiously optimistic' outlook for wool trading / demand for the next 12 months.

Reports from all major wool growing countries indicate that there will be no unexpected increase in the quantity of wool available in 2013/14 season.

A main objectives for the wool industry in the future, says Dr Paul Swan AWI, is how to grow demand for wool fibre in a competitive market. The new emerging economies of Asia, as well as countries such as Brazil and Russia will be key areas where demand for premium goods will grow considerably. Dr Swan pointed out that 1/3 of the population (320 million consumers) will move from lower economic income to middle and high income levels. Tapping into this growing consumer market is a key to growing demand.



The last day of the conference was allocated for open discussions where delegates from all over the world exchanged information and views regarding industry challenges and outlooks.

Editor

## **The 25th China International Wool Trade Fair & Information Conference Successfully Ended**

<http://www.woolmarket.com.cn/en/newsDetail.aspx?id=1386>



### **The 25<sup>th</sup> China International Wool Trade Fair & Information Conference estimated two difficulties for wool textile industry:**

Fine wool being neglected and environmental issues

Where will wool prices go in the future? How is the current supply and demand situation of global wool market? What will demand situation and fashion trend of wool textile in the future? At the 25<sup>th</sup> China International Wool Trade Fair & Information Conference in Suzhou Jiangsu Province from September 14<sup>th</sup> to 16<sup>th</sup>, representatives of China wool textile industry chain companies and corporate counterparts from more than ten countries discussed these issues. Experts demonstrated that the industry is now facing two difficulties: Fine wool being neglected and environmental issues.

The conference sponsored by China Wool Textile Association and China SDIC International Trade Co., Ltd. China Wool Textile Association of Professional Committee Secretariat (Nanjing Wool Market) hosted the conference. The honorary chairman of China Textile Industry Association Mr. Xu Kunyuan attended the conference. Related officers of the Ministry of Commerce of the People's Republic of China Department of Foreign Trade and General Administration of Quality Supervision, Inspection and Quarantine of the People's

Republic of China; The vice-president of China Textile Industry Association Mr. Xu Wenying; Uruguay's ambassador of China; The agricultural counselor of Australian embassy in China and the president of International Wool Textile Organization attended the conference.

Under Nanjing Wool Market's careful organization, more than 400 wool textile people all over the world discussed with each other and seek for cooperation. They communicated extensively and cooperated closely. They rational face the weak market and develop the wool market positively. They tried to sincere cooperate in the industry chain and protected the environment to realize the wool industry sustainable development.

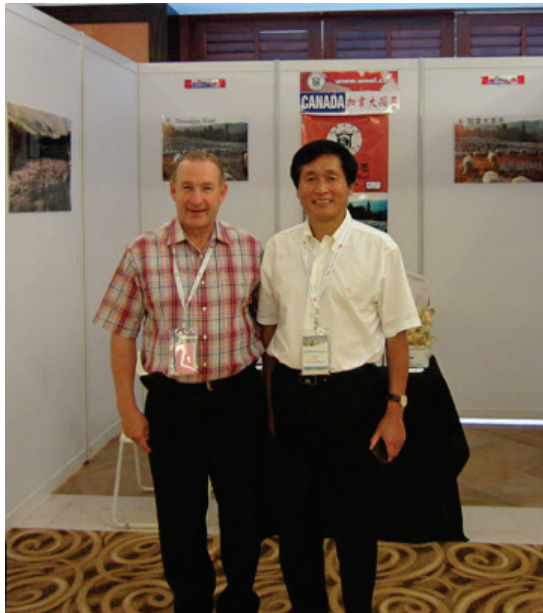
Affected by the lack progress of the 2013 global economic recovery and many factors from the world, China economic grows slowly. But it is still high-growth countries throughout the world. Xu Wenying indicated that the economic background brings good opportunities and spaces for the textile industry. China still maintains the big consumer of global wool import and consumption. Therefore it is very important to explore and develop China wool market.

Since this year, China wool textile industry has operated smoothly and the quality of operation was promoted. Although domestic and international environment is complicated, most textile companies response positively. Speed up the pace of structural adjustment and strength management. They improve the products quality and production efficiency. In first half year, 1191 companies' industrial added value increased 7.1%, achieve the main business revenue to 15.2%. The total profit is 4.98 billion and increased 17.8%. The running efficiency of business capital rises. But the development of the company is not balance, the deficit scale up to 22.4% and higher than the average level of textile industry 15%. The chairman of China Wool Textile Association says, although the textile industry develop steady, there are still risk. The export scale diminished. The situation of energy conservation and emissions reduction is grim. The comprehensive costs continue to rise. Therefore, all textile companies have to prepare the difficulties and speed up industry restricting.

With the change of global economic, the wool industry experience the reduction of demanding and the fluctuated of value in 2012/13. The price of wool stills in the condition of ups and downs. The low quality wool supports the market. The botany wool sold less than last year. Many companies low the wool blend to reduce the cost. In June of this year the price is lower than last year 10%~20%. The herdsman's enthusiasm is influenced by the reduction of the price. The quantity and quality will reduce driven by interests and prices tumble. The president of Nanjing Wool Market Madam Yang indicated that the demand and production will decide the price trend of wool. Demand is the most critical factor affects price. All partners have to face the subjects not only to explore demand but to create and grow it.

In addition to face the demand of raw material, wool textile industry has to pay attention to not only energy conservation and emission reduction but environmental problems. "Wool textile industrial water pollutant discharge standards" and "Textile dyeing and finishing industrial water pollutant discharge standards" has put into implementation since 2013 as mandatory new national standard. It improves the restriction requirement of CODCr and add new requirement. Due to no executive transitional period of new standard, related technical transformation investment cost pressures will increase significantly. At the mean time it will become the permanent issue of Chinese and Australian wool joint team. In order to meet the needs of wool and protect the environment, both China and Australia should improve positive communication and strength the breadth and depth of corporation. It will promote the healthy and sustainable development of China-Australian wool trade and prosperity of both countries in wool industry.

**Nanjing Wool Market Conference and Trade Fair in Sanya, China  
September 12<sup>th</sup> – 14<sup>th</sup>, 2012**



Wen Qingnan, President  
Tianya Wool Industry Co., Ltd  
(the largest wool combing mill in China)  
Eric Bjergso, General Manager  
CCWG



Eric Bjergso, CCWG General Manager  
discusses Canadian wool with a visitor  
to the CCWG booth during the Wool  
Trade Fair

Almost 500 representatives from more than 20 countries around the world attended the 24th International Wool Trade Fair and Information Conference held in China's beautiful coastal city Sanya, September 12<sup>th</sup> – 14<sup>th</sup>, 2012





## Future of Wool Industry Lies in Cooperation



Where will wool prices go? What will enterprises do to cope with the current difficult situation? How to realize sustainable development of wool industry? Almost 500 representatives from more than 20 countries around the world attended the 24th International Wool Trade Fair and Information Conference held in China's beautiful coastal city Sanya, to discuss those topics.

This conference was organized by China Wool Textile Association and China SDIC International Trade Co., Ltd., and executive organized by Nanjing Wool Market. Leaders from Department of Foreign Trade, Administration of Quality Supervision & Inspection and Quarantine, China National Textile and Apparel Council, Consulate General of the United States in Guangzhou, Uruguay Embassy in China, Australian Embassy in China, International Wool Textile Organization and so on attended the conference. CWTA also released 2011-2012 Wooltop Mill Competitiveness Top 10 Award.

Traditional wool textile industry has confronted with unprecedented difficulties since the beginning of 2012. Increasingly higher labor cost and restrained high level of wool prices lead to greater material cost and high risky financing cost. All of them depress the business of industry, weaken their competitiveness and it is inevitable for lower benefits. In the first half of 2012, the total profit of 1123 above-designated-scale enterprises is 4.18 billion RMB, 2.2% higher year on year. Polarization among companies becomes more serious, the proportion of loss-incurring enterprises reaches 24.13%, and their deficit is even 92.33%. Ms. Peng Yanli, President of CWTA, said that the situation of wool textile industry is rigorous and it is hard to overcome those difficulties at a short time. The industry should strengthen confidence, and pay more attention to industry readjustment and collaborate to fight.

In 2011/12, wool prices surged, then demand weakened, and finally prices fell back. Gloomy world economy makes wool prices start to go downwards.



But just before the conference opening, wool prices rebounded. At the mean time, America announced to a third round of quantitative easing, or QE3. According to Ms. Yang Xiaoxiong, General Manager of Nanjing Wool Market, the future wool price is depended on the balance between demand and production. Demand is the major factor that influences wool prices. Where to find and how to create demand is always an issue for our wool people.

Life Cycle Analysis or short LCA is being increasingly used by global companies such as Marks & Spencer based in the UK, VF Corporation based in the US or the giant Inditex in Spain to help reduce their overall environmental burdens across the whole life cycle of their goods and services. As for the current LCA data, wool is bad and recycled polyester is good. IWTO has set up a working group that has looked at existing LCA data. The working group initially made up of the grower nations has defined a strategy on how to change wool's environmental credentials. IWTO will be seeking further funding from not only the grower nations but the key global processing nations of wool.

During the conference, China-Australia Joint Working Group on Wool held the signing ceremony of General Terms and Conditions Governing the Purchase of Australian Greasy, Scoured and Carbonized Wool, Wool Top and all other Types of Wool Fibres. Ms. Peng Yanli (representing China), President of CWTA and Mr. Robert Ryan (representing Australia), President of FAWO, has signed on the contract. China is the largest wool buyer, and Australia is the largest wool producer in the world. China's annual imports of Australian wool account for almost 80% of Australian wool exports. China-Australia Joint Working Group on Wool has reached agreements on establishing effective channels of communication between the two countries' wool industry organizations, on dialogue mechanism to solve disputes, on maintaining mutual benefits, and on promoting wool trade.

Mr. Xu Wenying, Vice President of CNTAC said that the signing ceremony of General Terms & Conditions is a major milestone on bilateral wool business between the two countries, which is much easier to understand, operate and protect both sides' interest. Besides, the new contract is in line with china's reality, close to IWTO's terms, and is favorable to spread to China's other wool suppliers. Hope China and Australia will strengthen cooperation in the future by learning, promoting, updating and making full use of the new contract, and promote a healthy and sustainable development of wool textile industry.

Thank you for your support and looking forward to seeing you next September!

Nanjing Wool Market  
21st September, 2012

## 2011 Nanjing Wool Market Conference

CCWG General Manager - Eric Bjergso, participated in the 23rd International Wool Trade Fair and Information Conference with a Canadian wool display. Held in Nanjing, China September 6th - 8th, 2011, the event was attended by over 700 delegates from the Chinese and International wool trade.







Eric Bjergso, CCWG General Manager



Dignitaries and wool mill owners at the 2011 Nanjing Wool Market Conference and Trade Fair visit the CCWG wool display to discuss Canadian wool with Eric Bjergso, CCWG General Manager.

## **2010 CCWG Wool Marketing Trip to China September 14th - 22nd 2010**

Submitted by Eric Bjergso,  
General Manager

This past September I travelled to China for an eight day wool marketing trip. From September 15th - 17th inclusive I participated in the Nanjing Wool Market International Wool Trade Fair and Information Conference which was held in Beijing. Our Canadian wool display at the trade show attracted a lot of attention and this was an excellent forum for us to promote graded and objectively measured Canadian wool to a large international delegation (600 attended) from the wool trade. Three of our agents in China were available to assist with translation as well as negotiations for the wool contracts that we concluded.

We have been developing the market for Canadian wool in China for the past 12 years and the reputation of graded Canadian wool in China is very good. Our delivery of consistent quality wool types over the years has enabled our agents to offer, and mills to buy from CCWG with confidence and without risk. Establishing this trust is essential in order to be a credible and successful supplier in the Chinese market and we have strived to achieve this recognition. Some wool suppliers from other origins such as Eastern Europe have not been so fortunate as they have not been able to establish this type of relationship (see attached letter). Wool clips that are not properly sorted and that may contain contamination or a wide variation in micron, length, colour and style are heavily discounted to allow for the unknown and to hedge the buyers risk exposure. Often these wools will only be utilized in lower quality textiles which in turn limits higher value market opportunities. We are fortunate that our wool grading standards has CCWG well positioned as a reliable supplier of a wide range of Canadian wool types to our global trading partners and that we have a market for all of our wool grades.

Following the conference I travelled by train and car with one of our agents to visit mills in Tianjin and Hebei and to present our wool samples. As an added surprise, the second largest combing mill owner in China invited us to his son's wedding on September 20th in Zhangjiagang. We were honored to accept the invitation, the wedding was attended by over 1,200 guests and was very colourful, animated and the culture was interesting to observe. Following this, for the next leg of our journey we travelled from Beijing to Shanghai where we again called on several more woollen mills in the surrounding area. During the trip we successfully negotiated a total of thirteen wool contracts representing the sale of approximately 650,000 pounds (thirteen containers) of graded and objectively measured Canadian wool for delivery to China from October 2010 through to March 2011.

**2010 Nanjing Wool Market Conference** was held in Beijing, China on September 15th to 17th.

The annual Nanjing Wool Market Conference is the major conference for wool and the early wool processing industry in China that is attended by executives of all major wool buying and processing companies in China.

It is a key event in the China wool calendar. <http://www.woolmarket.com.cn/en/>





CCWG participated in the Nanjing Wool Market Conference and Trade Show in Beijing, China with a Canadian wool display, September 2010. This conference is attended by over 600 wool industry leaders and provided us with an excellent opportunity to again present Canadian wool to an international audience. Eric Bjergso, General Manager then travelled with CCWG agents to promote and market, graded and objectively measured Canadian wool to Chinese wool buyers.



## 2009 Nanjing Wool Market Conference

was held in Nanjing, China on 9th – 11th September.

The annual Nanjing Wool Market Conference is the major conference for wool and the early wool processing industry in China that is attended by executives of all major wool buying and processing companies in China.

It is a key event in the China wool calendar. <http://www.woolmarket.com.cn/en/>



Canadian wool display for the Nanjing Wool Conference in China  
September 9th - 11th, 2009

Photo's taken at the Nanjing Wool Conference in China  
September 9th - 11th, 2009





