

Wool trade policy

Barriers to trade in raw wool, wool textiles and clothing restrict demand for Australian wool in international markets, where over 98% of Australian-produced wool is destined to be consumed.

AWI is actively involved in trade policy as part of its strategy to build the demand for Australian wool. AWI seeks to work with Australian woolgrowers, local processors and exporters, the Australian Government, wool textile industries in other countries, other fibre producers, the Australian textile and fashion industry, and others to successfully tackle trade barriers and deliver significant returns to Australian woolgrowers. AWI's Trade Development team identifies and analyses wool trade issues and develops strategies aimed at reducing or eliminating barriers to trade in wool and wool products.

What is trade policy?

Trade policy is the framework of rules and regulations applying to global trade in goods including:

- Tariffs (duties payable on the value of imported goods);
- Quotas (quantitative restrictions on the volume of a foreign product that may be imported to a country); and
- Non-tariff measures (for example import licensing, veterinary inspection requirements for raw wool, intellectual property rights including protection of logos and trademarks, preferential access arrangements and rules of origin).

These issues are critical to Australian woolgrowers, Governments, traders and wool fibre products manufacturers and importers.

Project outcomes

AWI's trade policy projects enable AWI to analyse wool trade issues, seek advice from woolgrowers and other industry sectors and provide accurate data on the effects of barriers to trade in wool and wool products. Achievements of the program include:

- Submission and presentation to the Department of Foreign Affairs and



Trade's China Free Trade Agreement Task Force outlining the Australian wool industry's concerns and negotiating position on the potential free trade agreement (FTA).

- Working with the industry's Trade Advisory Committee to improve our consultation with, and receipt of advice from, woolgrowers and other industry stakeholders.
- Working closely with the Department of Foreign Affairs and Trade and the Department of Agriculture, Fisheries and Forestry to combat international technical and non-technical barriers to trade in the global wool pipeline.
- Securing significant breakthroughs, with the National Farmers' Federation, in World Trade Organisation (WTO) negotiations on agricultural and market access issues.
- Securing meetings with industry and government executives in India to discuss the removal of trade barriers for Australian wool.
- Commissioned research into:
 - Fit-for-purpose issues of Australian wool exports to China;
 - China: retail market survey; and
 - China: strategic analysis of the potential FTA and its impact on Australian wool.

China Office

AWI's principal operations in China are in the fashion hub of Shanghai where staff engage directly with Chinese domestic retail brands.

AWI also has an office in Beijing which plays a vital role in Chinese industry/government relations and will be an important resource during the negotiations process if an FTA with China goes ahead.

For more information

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