



Industry Outlook and Update

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### Changing world of wool

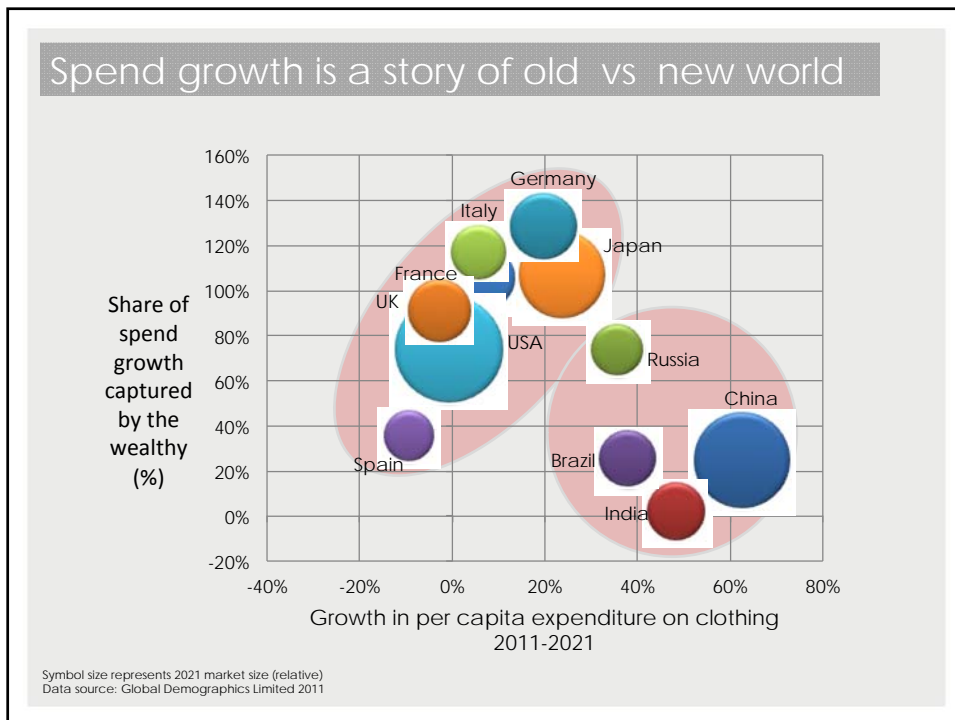
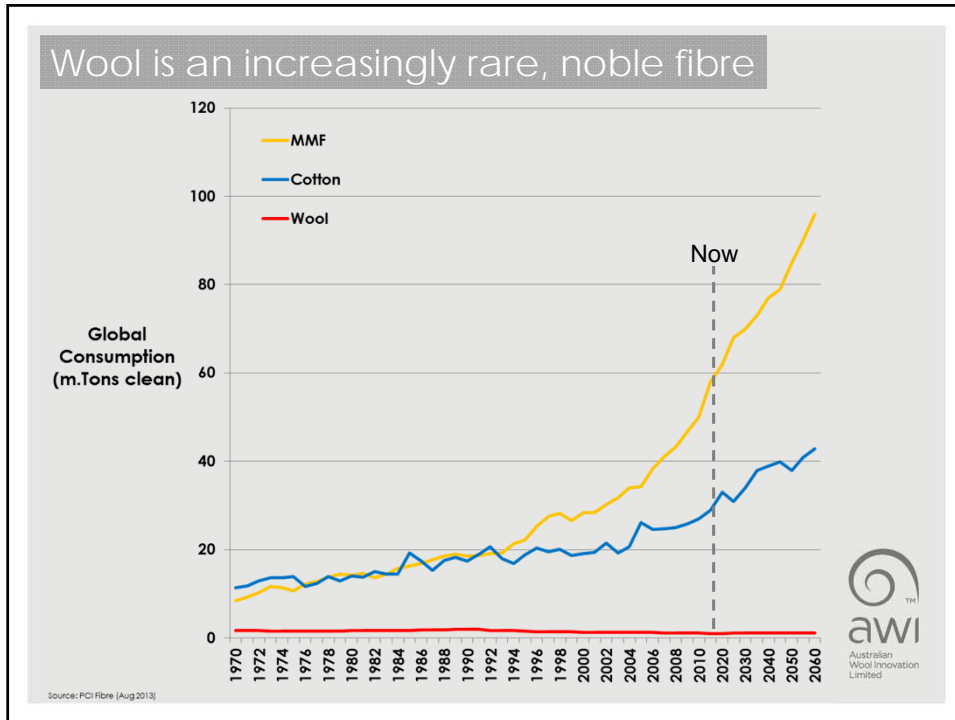
The world of wool has seen dramatic change in the last decades

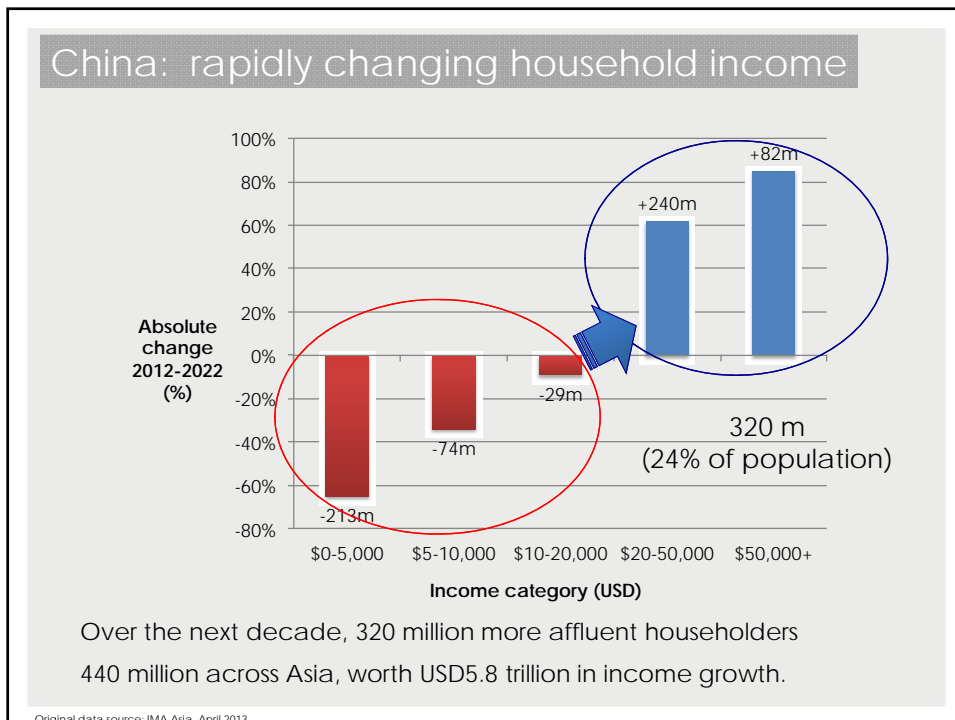
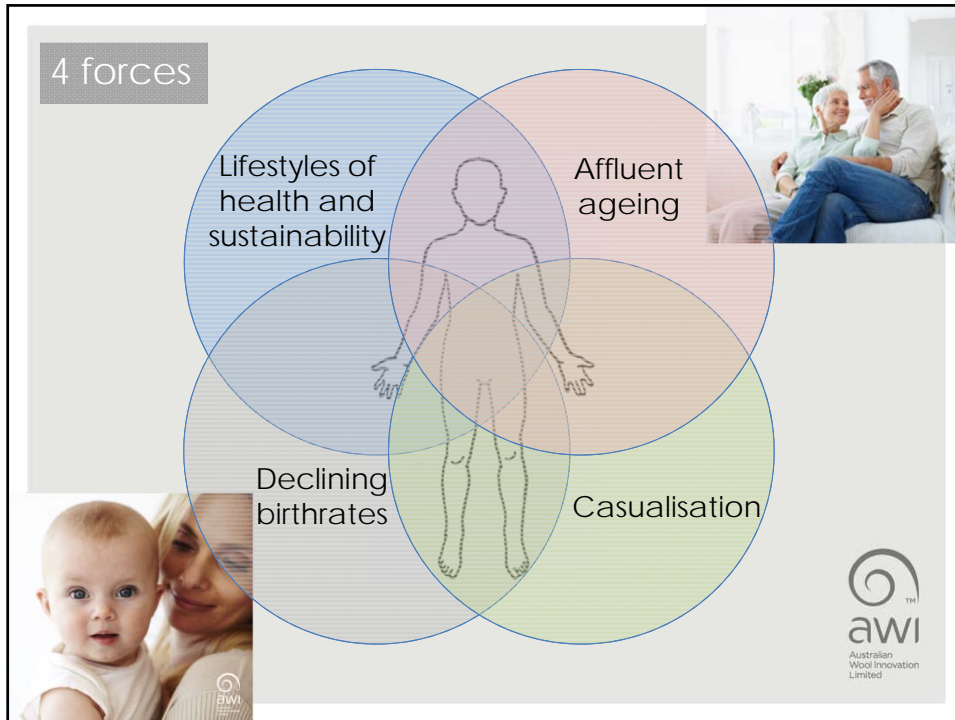
The coming decades will see accelerated change

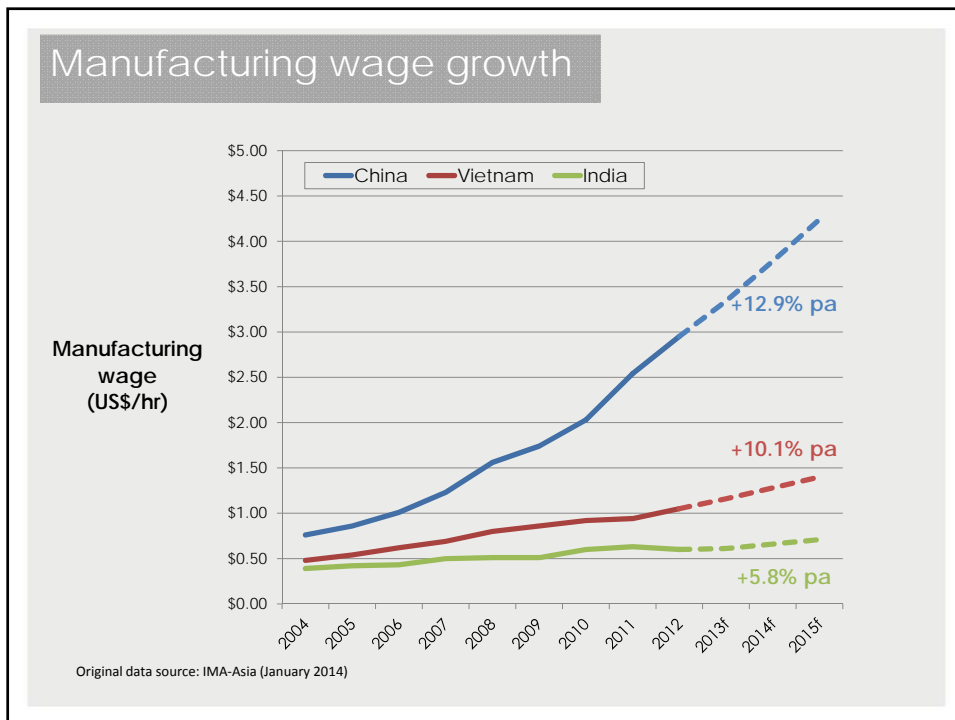
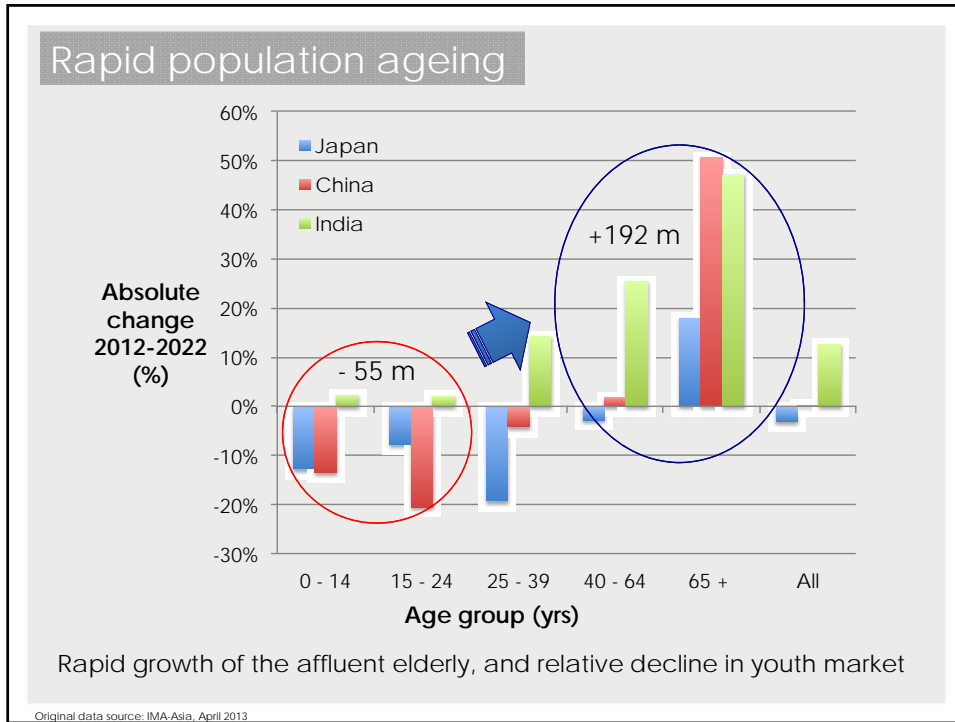
- 2 billion more people
- Rapidly ageing first world
- Emerging affluence
- Demand growth for meat protein

Implications for wool?



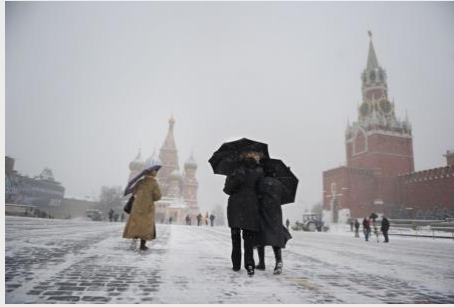






## SUPPLY CHAIN DIVERSIFICATION

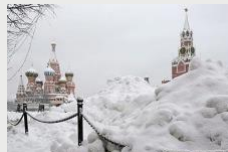
“TO RUSSIA WITH WOOL”



## SUPPLY CHAIN DIVERSIFICATION: “TO RUSSIA WITH WOOL”

Establishing and exploiting new business opportunities

- **Significant population** i.e. 140 million  
(200 million if we include Belorussia & the Ukraine)
- **Increasing wealth** i.e. oil, gas & mineral boom.
  - Today Russia is the largest oil exporter in the world.
  - Also emerging professional class who have a high net income due to low tax, little or no mortgages, and state subsidised education & Medicare.
- **The weather** i.e. hit minus 35° C for several weeks last winter. In Russia “*accessories are necessities*” !!!
- **“Get out of jail syndrome”** e.g. for 74 years normal Russian people could not buy anything worth wearing. Now following the collapse of the Soviet Union they go mad !!!



## "TO RUSSIA WITH WOOL": PROGRESS 2-YEARS IN

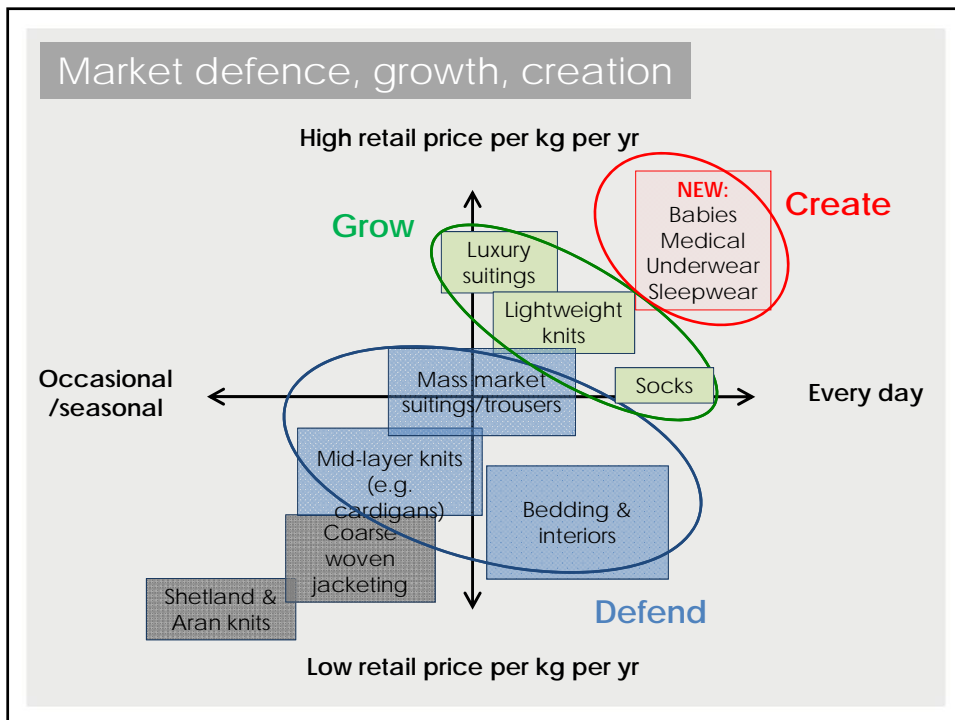
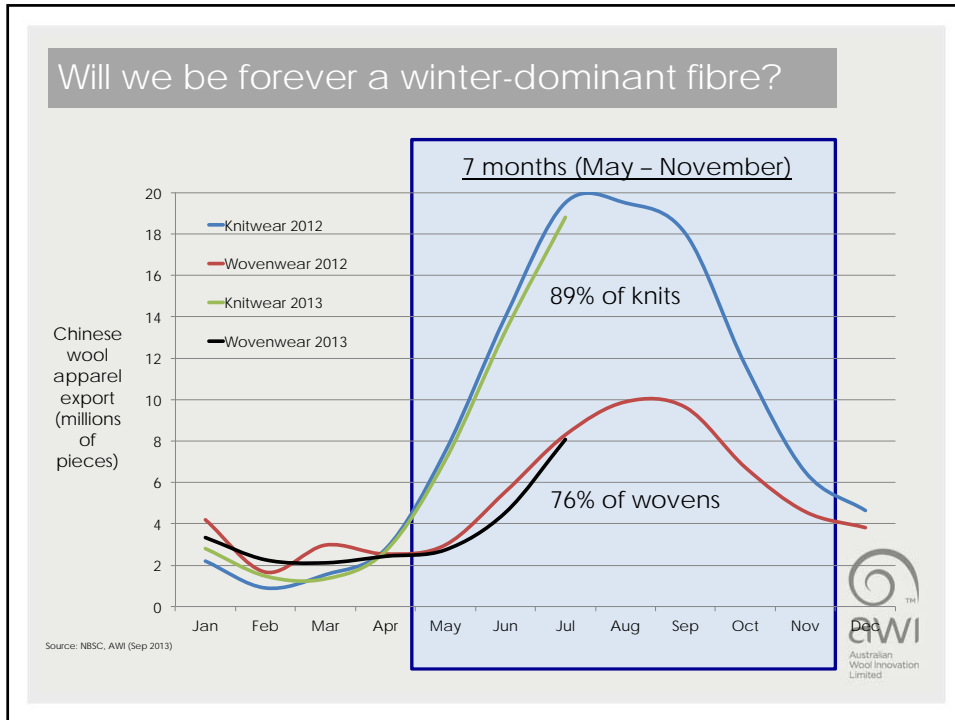


- Established business relationships with some 50 companies, including manufacturers, designers, local retailers & brands – and 3 top-makers/scourers.
- In August 2012 escorted a trade mission consisting of Australian wool exporting companies.
  - A challenge has been logistics of fibre supply
  - Nonetheless, exporter partners report that > 1,000,000 kgs of business now transacted
- Working with local Russian brands to develop new premium ranges of products made from Australian wool:
  - Perhorsky (Machine Washable HK yarns),
  - Marhatter (Accessories),
  - S & F (Knitwear range),
  - Art Wizard (Luxury women's knitwear) etc.

## "OUT OF VIETNAM": PROGRESS SO FAR AND THE NEXT STEPS



- Vietnam project "kicked-off" in June 2012.
- Initial target number of partners after 1 year was 12. 18 months in, we have nearly 50!
- Some manufacturing partners have received commercial orders for 100% wool products.
- Continue to train in factories, so that all our partners are technically competent and commercially confident.
- Invite retail buying delegations from other countries i.e. Korea, HK, Europe and the US.
- Teach them in addition to the fundamentals, more added value effects, e.g., functional finishes, innovations, etc.





## Skin moisture buffering?

Wool's capacity to absorb moisture is much greater than many other fibres.

It confers ability to act as a moisture 'buffer' or 'bank'

A possible application is for management of dermatological conditions caused by defective dermal moisture retention.

Atopic dermatitis is a commonly experienced example

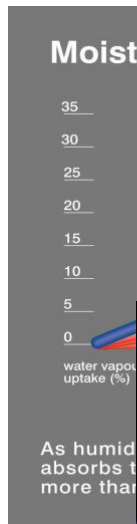
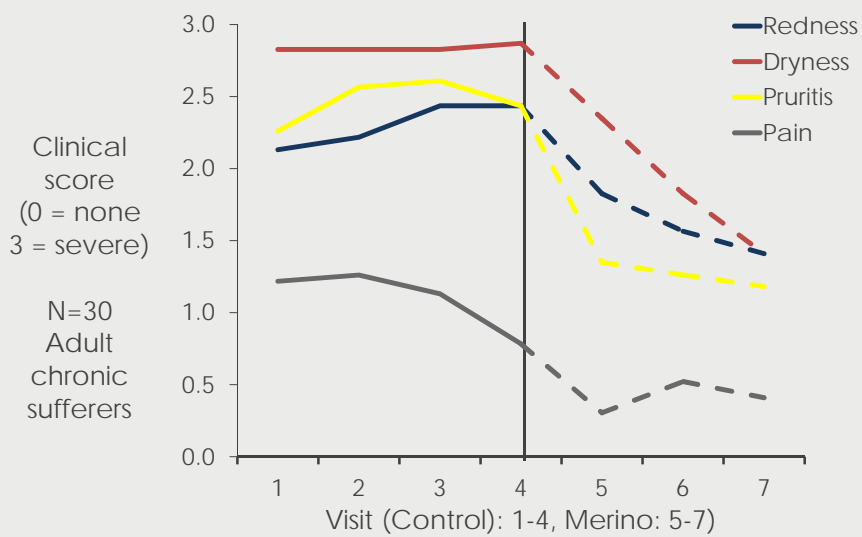


Image sources: <http://health.bwmc.umms.org/imagepages/1923.htm>  
[http://menhealth.about.com/gray/tderm\\_photo10.htm](http://menhealth.about.com/gray/tderm_photo10.htm)

## Clinical trial results: Atopic dermatitis skin



Source: Queensland Institute of Dermatology



## Recent progress: healthy sleep

Sleep is essential for health

Wool's texture, and heat/moisture management assists sleep



Source: AWI

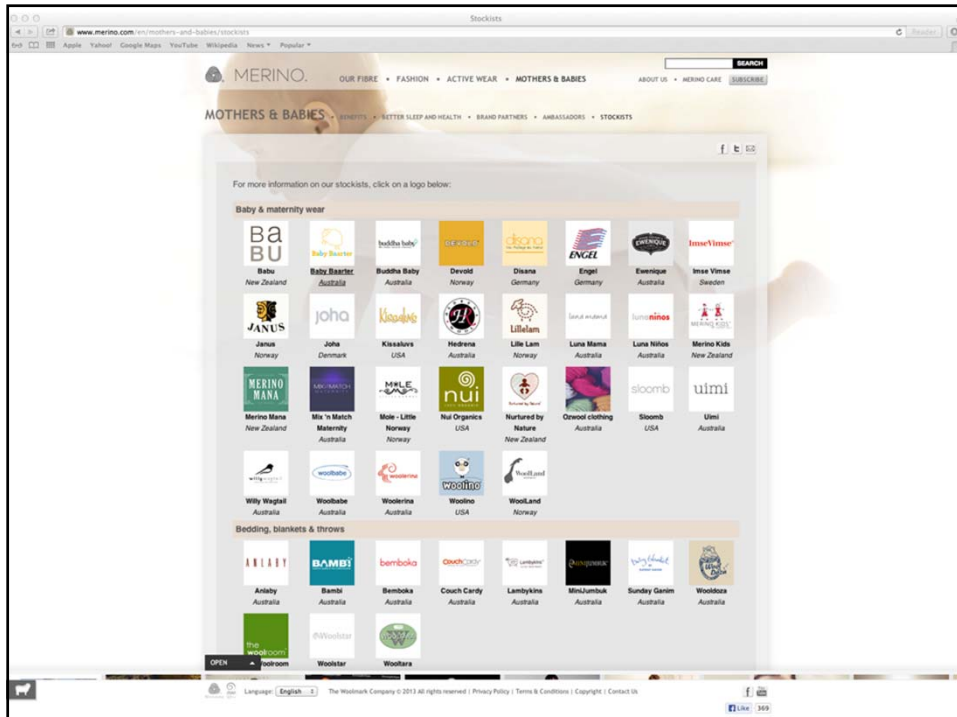
Most recent AWI-funded study highlights the potential for wool sleepwear

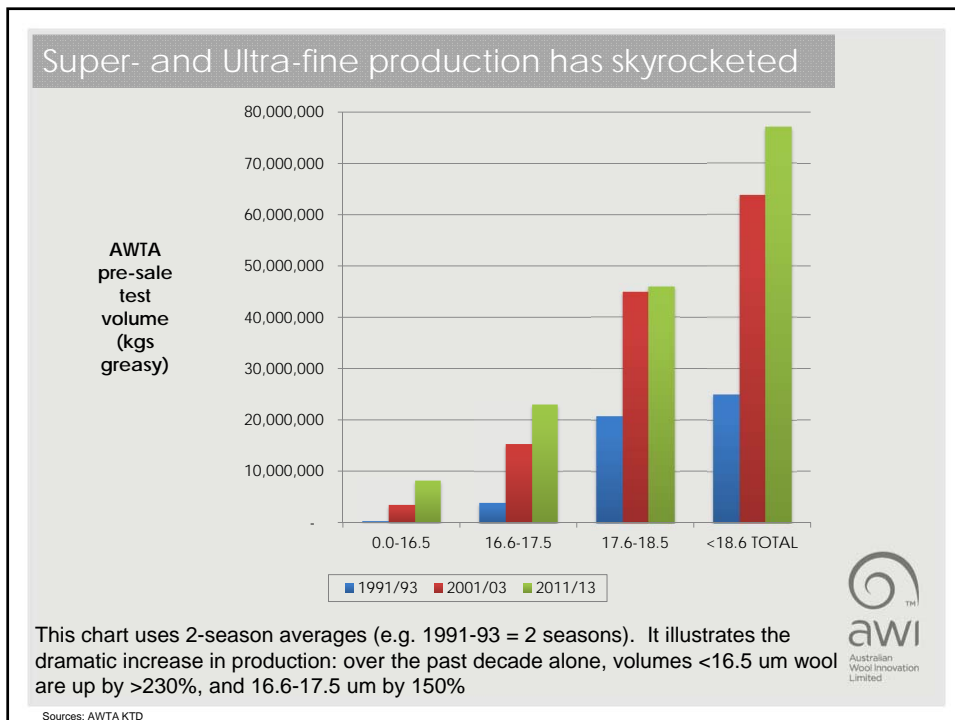
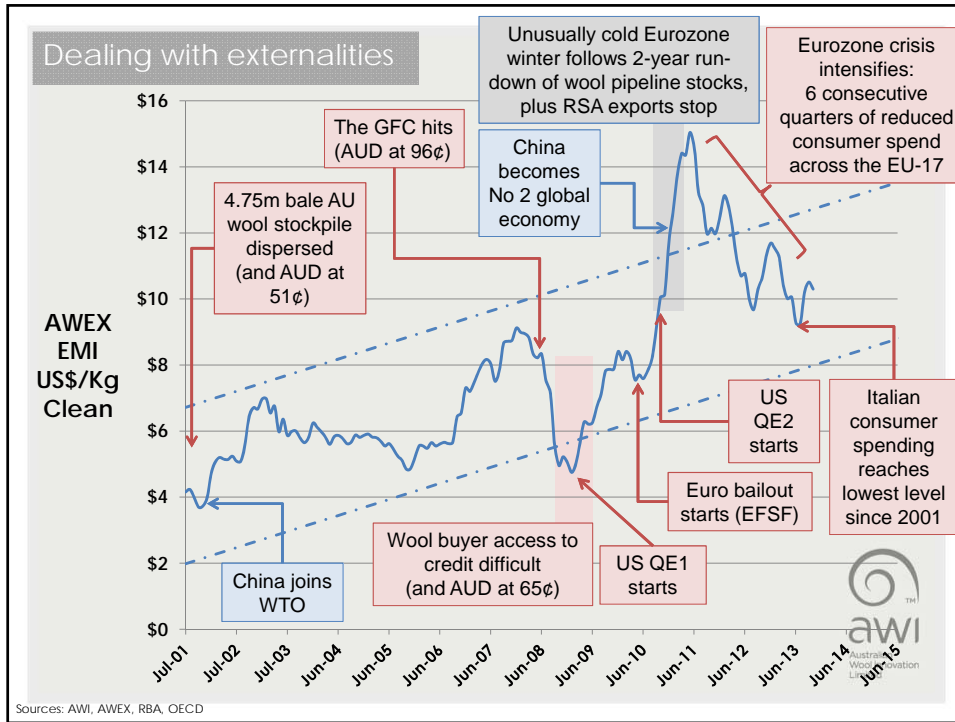
Faster sleep onset, increased total sleep time

More than 7 mins/night: nearly 2 days/year.

New research focuses on infant clinical trials, and mannikins

Substantial overseas interest – especially from Hong Kong





## Reinvigorating wool

Wool's fundamentals are strong, and we have a global consumer base 'evolving' in our direction.

Supply chain diversification programs are progressing well – these are long-term investments

Health and wellness opportunities also progressing well.

...a bright future for wool beckons



Thank you



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