



AWI invested **\$1m** during 2013-14.



**SUPPLY CHAIN DIVERSIFICATION**



An estimated **\$3.1m** was returned to woolgrowers.

This represents a return of **\$4.10** for every dollar invested.

## ISSUE

- Reducing the industry's reliance on China, by creating new business opportunities and customer bases.

## PROMISED BY AWI

- To set up new supply chains in emerging textile and clothing manufacturing markets by leveraging investments in wool processing equipment, in Russia, Belorussia and Vietnam.
- To support the development of wool processing operations by providing technical training to manufacturers.

## DELIVERED BY AWI

- AWI is working with 53 new manufacturing partners in Vietnam, and in excess of 30 in Russia and Belorussia.
- Local government investment of approximately US 90,000 to upgrade two worsted manufacturing lines at the Bryansk Worsted Mill in Russia.
- Belorussian government investment of 55.8m euro for a complete upgrade of the Kamvol (Minsk) weaving factory.
- Various investments in Vietnam:
  - Private \$US8m investment in the 28C Agtex Company (HCM) to upgrade weaving and finishing equipment wool and wool polyester suiting fabrics. AWI advised on equipment.
  - Private \$US5m investment in Nasilkmex (Nam Dinh) for a worsted wool yarn spinning factory, (10,000 new spindles) and top dyeing plant upgrade. This was the result of AWI introducing a joint venture partner.
  - Vietnamese government investment of \$US22m to purchase new factory equipment to produce



men's wool and wool blend suits in ITC (HCM).

- Vietnamese government investment of \$US20m (expected July 2015) in Len Viet (HCM) for a new worsted spinning plant for the production of weaving and knitting yarns.
- Knitwear manufacturing partner in Minh Phung (Hanoi) opened its first "World of Wool" retail store in Hanoi.

## BENEFIT TO WOOLGROWERS

- Engagement with manufacturing businesses and their subsequent increase in cost competitiveness leading to an increased demand for Australian wool.
- Reducing the reliance on China, which currently takes about 80% of the total Australian clip annually.

## PLANS FOR THE FUTURE

- AWI will concentrate its activities on local spinners in Vietnam, to teach them how to produce wool yarns to supply the domestic market.
- AWI will increase its efforts to establish long term business relationships between Russian and Belorussian manufacturing companies and Australian wool exporters following a health certification agreement on the importation of greasy wool into Russia in December 2014.



*The figures represented were generated by an independent economic analysis of AWI's investment in this program. AWI undertakes this level of analysis prior to making investment decisions to verify the benefit to growers; during the program to ensure the investment is on track; and at the end of the project to report outcomes of the investment.*