

Wool Selling Systems Review, Australian Wool Innovation,  
GPO Box 4177, Sydney NSW 2001  
Att. John Roberts, WSSR Executive Officer

16<sup>th</sup> March 2015

Dear Sirs,

We have carefully examined the various questions which have been submitted to the Wool industry by AWI and the Committee that has the task of proposing solutions with the aim to increase growers incomes, to streamline procedures of transferring raw material from growers to users and possibly give more transparency and more competition to the wool Market.

We do not intend to give any specific detailed suggestions to such a high profile team but would like to remind the committee some non negotiable items of the Italian Industry and Trade.

Even if the Italian market in terms of volume is not what it was few years ago, it remains all the same the area where the Top Class articles are produced thus promoting the fiber "wool" on all world markets and therefore, we believe, it is important that our views are taken into consideration.

1) Open Cry auctions – few years ago a similar survey was done on which was proven that the Auction system was still the best, more transparent, fast and cheapest way to transfer ownership. We believe that still today those results are true – the trials made of various systems via "the net" have given insufficient result due to slowness, additional costs, and we believe important difficulties to guarantee access to everybody considering different time zone which will penalize heavily European and American buyers.

2) Sales by description – also in this case nothing new – the main problem is not the exact description but if a sample is available to be inspected and can be valued by buyers to satisfy the specific request of their clients particularly in a period in which the standard of the clip preparation is deteriorating. Without sample's inspection, who is guaranteeing also financially, the correspondence to the required processing quality and performance as Exporters do at present?

Certainly it should be possible to save on repeated valuations which are done today (Awex – Brokers – Awta) but the fact remains that without a real and tangible guarantee the Italian market has the need to be able to value samples in order to meet the requirements of the high class products manufactured. If this fact, for us extremely important, will not be taken in consideration, our Industry will be severely damaged.

3) The fact of having a market levelled to the bottom can possibly satisfy the alleged requirements of the most important Country operating on the Australian market today but obviously finds us in complete disagreement and there are again suggestions, as in the past, to split the wool market creating one traditional for special superfine fibers 19my and finer and another, with the remaining part of the clip, a commodity market that could follow the sale by description and computer selling philosophy.

4) For us it is difficult to suggest solutions to better maintain competition during Auctions, certainly it should be possible to reach this goal contemplating various solutions to increase it including a better costs structure. For sure an opening to competition where there are areas of no competition and to look thoroughly some parts of the wool chain that still has privileges, should be able to reach this target.

Yours Faithfully

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Federazione Tessile e Moda



ASSOCIAZIONE NAZIONALE  
DEL COMMERCIO LANIERO

BIELLA

