

THE STRUCTURE OF WOOL AND WOOL
TEXTILE PRODUCTION,
TRADE AND CONSUMPTION 1958-69

by

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THE STRUCTURE OF WOOL AND WOOL TEXTILE
PRODUCTION, TRADE AND CONSUMPTION 1964-68*

INTRODUCTION

In the pages which follow we have set out, in the form of charts and tables, the results of an attempt to measure the disposition of wool produced by the major producing and consuming countries in the post-war period. Our aim is to present a picture of the structure of the world wool market, by tracing through the major flows of wool from the point of raw production to its final use in the form of wool type textiles measured in clean fibre content; and to identify the growing points of world demand for wool.

The paper is mainly descriptive and no attempt is made at analysis, though the data presented was assembled in the course of an analysis of factors affecting wool prices. In such an analysis we would be concerned, as with the analysis of prices of other agricultural products, with the interaction of supply and demand. But unlike other New Zealand export products, for example meat, in which we confine our attention to one particular type of meat in a few particular countries, we are concerned, except in exceptional circumstances, with wool as a whole because of the infinite possibilities of substitution possible between different grades and types. And we have to take as our market the world as a whole,

* This paper brings the data in Research Report 55 up to 1968.

since nearly every country in the world consumes wool in greater or smaller quantities, if only in the form of small quantities of imported wool textiles.

For many of these smaller wool markets there are not available the necessary economic data for incorporation in a world demand analysis for wool, and in such an analysis we therefore have to group together the important countries making up a "wool world". We have done this by identifying a group of 21 countries known henceforth as the "21 country group", consisting of countries which produce and consume the major proportion of the world's wool (outside the Communist blocs). This group, or "wool world", we can regard as a largely self-contained unit producing, trading and consuming raw wool and wool textiles,* but exporting some of its wool supplies to the countries of the outside world, either in the form of small quantities of raw wool or of wool textiles.

The countries which make up this 21 country group are as follows, divided into four sub groups:

<u>The 5 Wool Producers</u>	<u>The 5 Wool Textile Exporters</u>	<u>The 4 Wool Textile Importers</u>	<u>The 7 Western European Countries</u>
Argentina	United Kingdom	West Germany	Austria
Australia	Belgium	Netherlands	Denmark
New Zealand	France	Canada	Finland
Sth Africa	Italy	Sweden	Ireland
Uruguay	Japan		Norway
			Switzerland
			Greece

Though it is a very important wool consumer, the United States has been excluded from this 21 country group, largely

* In this bulletin wool textiles and wool-type textiles should be interpreted as wool and wool-mixture textiles.

3.

because we have found, in other work, that the U.S. trends in wool textile consumption have been quite different from those in other countries, possibly because of differences in the rate of development and competition of synthetic fibres.

Apart from the United States, the rest of the world, mainly small countries importing quantities of raw wool or wool textiles from the 21 countries, have been lumped together into a group called "Other Countries".

In the next section we proceed to show the flows of wool arranged according to this grouping of countries for the year 1965. In succeeding sections, the charts give the annual development over the last 21 years in each of the major constituents of these flows and the tables, show the data for the last 5 years.

I. STRUCTURE OF WOOL & WOOL TEXTILE PRODUCTION, TRADE,
AND CONSUMPTION IN 1965

Taking the grouping of countries given above the structure of the "world" wool market in one year 1965 is given in Figure 1. All measurements are in million lb. clean.

Figure 1 shows blocks of countries between which there are shown flows of wool and wool-type textiles with the relevant quantities indicated. Only inter-group and no intra-group flows are shown. That is to say since we are considering the 21 country group as one virtually self-contained bloc only the flows to and from outside countries are shown. To show the trade flows between each of the 21 countries would confuse the picture far too much.

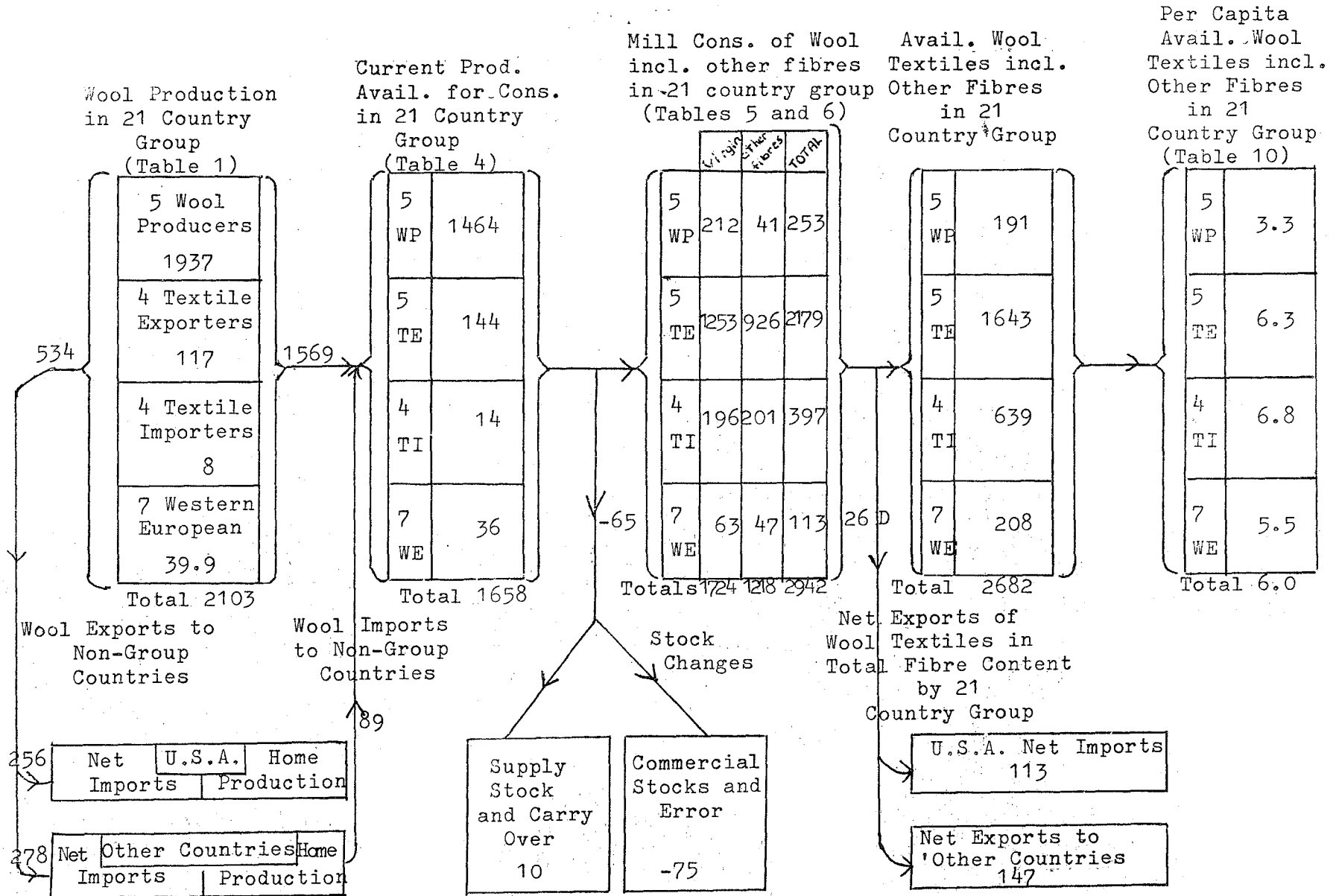
This chart shows raw wool production in the 21 country group in 1965 was 2103 million lb. From this exports of wool (534 mn. lb.) flowed to the U.S.A. and "Other Countries" from which there was also a small inward import flow of wool (89 mn.lb.). From the balance of wool available was deducted wool added to (10 mn.lb.) government and official stockpiles giving wool available for mill consumption. However there was an addition of 75 mn.lb. representing an estimated decrease in commercial stocks and errors. (This figure must be regarded as only a very tentative estimate of commercial stock increase as it has been calculated as a residual from comparing available supplies with mill consumption. These two figures come from different sources so that the residual is partly reduction in commercial stocks and partly unexplained errors. Hence we have called it "commercial stocks and errors".)

This left 1724 mn.lb. of wool available for mill consumption

FIGURE 1

1965
FLOW PATTERN, WOOL AND WOOL TEXTILES

Mn.lbs. Clean



during 1965. In addition there were 1218 mn.lb. of other fibres consumed in wool-type textile industries, giving total fibre content of wool textile output of 2942 mn.lb.

From this 260 mn.lb. fibre content of wool textile exports were sent to the United States and "Other Countries", leaving 2682 mn.lb. fibre content of wool textiles for consumption in 21 countries. When divided by each country's population this gives per capita consumption, or more accurately per capita availability, of wool textiles.

This chart gives a picture of the whole flow in 1965 of wool and wool textiles.

In the following sections we take each of these major sections, viz., wool production, mill consumption etc., and present (in the tables numbered at the head of each block in Figure 1), the graphs for the whole period 1948/68 and the data for the last 5 years.

II. WOOL PRODUCTION

Table I and Figure 2 give the trends in wool production measured in lbs. clean equivalent, in the main country groupings. For countries in the southern hemisphere, production for the season spanning two calendar years, e.g. 1947/48, is included with calendar year production in the second year, i.e. 1948, in the northern hemisphere.

The total production in the 21 or 22 country groups reflects very closely the trend and fluctuations in the 5 major producers, where production has again started rising after the stagnation in 1964-1966 and in 1968.

The steady decline in the U.S.A. and the 16 Wool Textile Producers' production continues unabated.

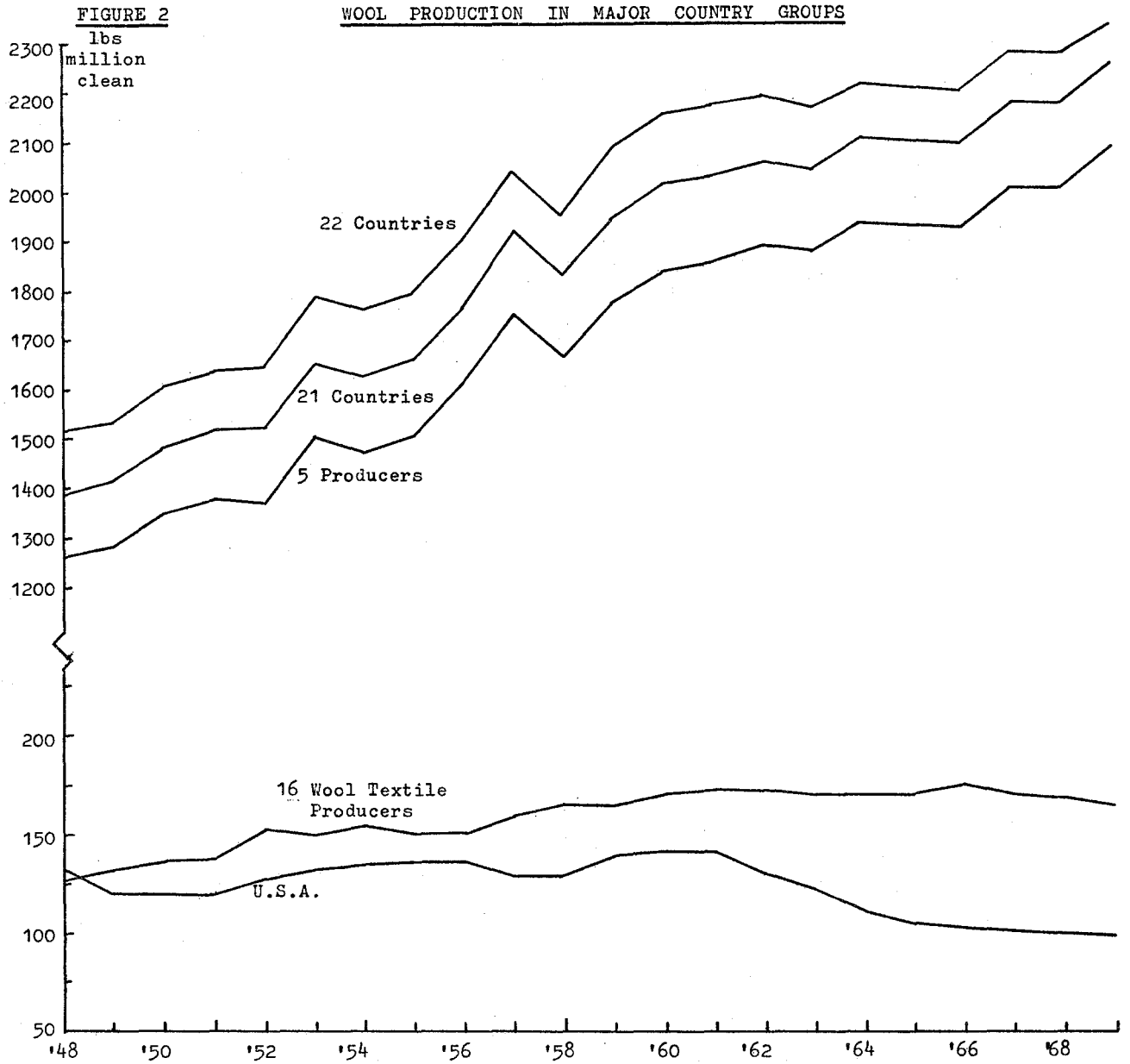


TABLE I : RAW WOOL - CLEAN HOME PRODUCTION (mn. lbs.)

	<u>1963</u>	<u>1964</u>	<u>1965</u>	<u>1966</u>	<u>1967</u>	<u>1968</u> *	<u>1969*</u> Provisional
Argentina	247	253	230	237	256	246	228
Australia	915	956	1009	931	995	998	1075
New Zealand	434	442	439	488	498	504	522
South Africa	170	177	148	171	152	154	156
Uruguay	115	115	111	104	106	108	112
Total: 5 Wool Producers	1881	1943	1937	1931	2007	2010	2093
U.K.	83.8	83.8	85.3	86.6	85.0	85.8	85.1
Belgium	0.4	0.4	0.4	0.4	0.4	0.4	0.4
France	18.5	21.4	22.5	23.8	22.1	20.4	19.1
Italy	13.2	13.4	13.7	14.1	13.7	13.7	13.2
Japan	1.8	1.1	0.9	0.7	0.7	0.7	0.7
Total: 5 Wool Textile Producers	117.7	120.1	122.8	125.6	121.9	121.0	118.5
W.Germany	3.7	3.5	3.3	3.1	3.1	2.8	3.1
Netherlands	1.8	1.3	1.3	2.6	2.6	2.6	2.6
Canada	4.0	3.5	3.3	3.1	2.6	2.6	2.1
Sweden	0.4	0.4	0.4	0.4	0.4	0.4	0.4
Total: 4 Wool Textile Importers	9.9	8.7	8.3	9.2	8.7	8.4	8.2
Austria	0.7	0.7	0.7	0.7	0.7	0.7	0.7
Denmark	0.2	0.2	0.4	0.4	0.4	0.4	0.4
Finland	0.4	0.2	0.2	0.2	0.2	0.2	0.2
Ireland	17.4	17.2	17.4	17.2	16.5	15.8	14.5
Norway	7.5	7.5	9.3	8.2	8.2	8.2	8.2
Switzerland	0.7	0.7	0.7	0.7	0.7	0.7	0.7
Greece	14.1	14.1	11.2	12.6	12.6	12.6	12.6
Total: 7 West- ern Europe	41.0	40.6	39.9	40.0	39.3	38.6	37.3
Total: 21 Countries	2050	2112	2108	2106	2177	2178	2257
U.S.A.	123.7	112.2	106.0	103.4	101.5	97.6	91.6
Total: 22 Countries	2173	2224	2214	2209	2278	2276	2349

III. TRADE IN RAW WOOL

Figure 3 and Table II on which it is based, give the trends in trade in raw wool from the 21 country group. This is divided into exports from the group to the U.S.A. and exports to other countries. The latter has risen very rapidly - about fourfold since the early fifties. Total exports of the 21 country group to the U.S.A. and "Other Countries" show a rapid increase in 1968 over the static 1965 to 1967 level. Also shown are the imports into the 21 country group from "Other Countries". These imports have shown a slowly rising trend over the period, the fluctuations around this trend being quite closely correlated with levels of mill consumption in the 21 country group.

Table III gives the greater detail underlying the figures in Table II by showing the exports and imports of each of the 21 countries with the non 21 country group.

FIGURE 3

TRADE IN RAW WOOL

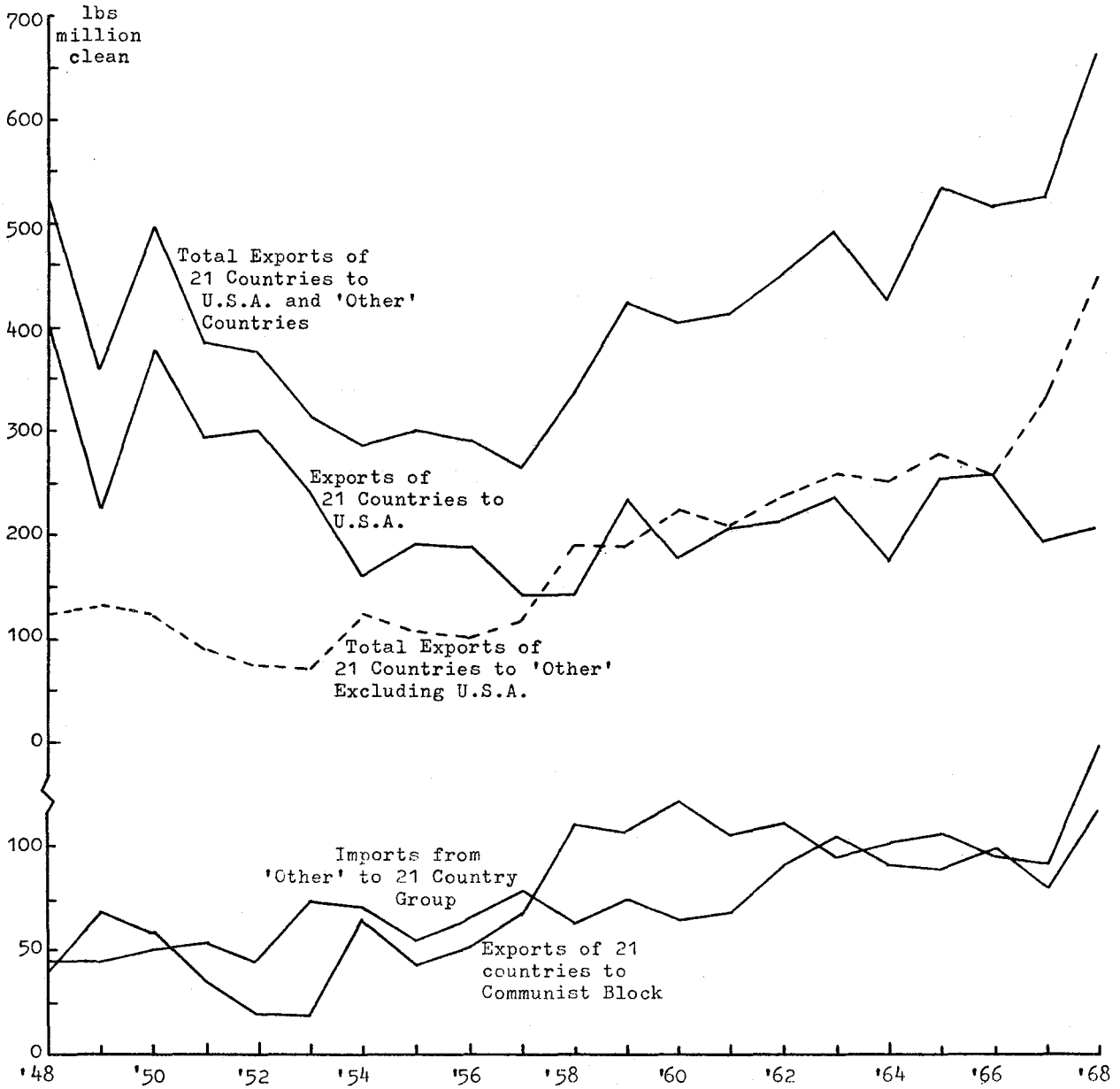


TABLE II : TRADE IN RAW WOOL 21 COUNTRIES
(million lbs. clean)

	1964	1965	1966	1967	1968
5 Wool Producers					
Exports to USA	157.3	231.9	241.6	179.5	192.0
Exports to other	223.3	241.0	223.0	301.1	412.5
Total Exports to Non-21	380.6	472.9	464.6	480.6	604.5
5 Textile Exprs.					
Exports to USA	14.9	16.8	13.1	12.6	13.3
Exports to other	20.2	26.6	26.8	25.2	31.7
Total Exports	35.1	43.4	39.9	37.8	45.0
Imports from Other	69.2	69.6	79.9	63.9	99.1
4 Textile Imprsr.					
Exports to USA	4.5	5.6	2.4	2.3	0.8
Exports to Other	3.6	3.8	4.5	4.4	2.9
Total Exports	8.1	9.4	6.9	6.7	3.7
Imports from Other	19.8	15.6	14.1	11.9	15.8
7 Western Europe					
Exports to USA	0.6	1.2	1.5	2.0	3.1
= Total Exports (Other Zero)	4.1	6.7	5.9	4.5	6.7
Imports from Other	3.9	4.3	5.1	5.5	3.4
Total 21 Countries					
Exports to USA	177.3	255.5	258.6	196.4	209.2
Exports to Other non-Communist	148.8	170.3	164.4	240.0	302.1
Exports to Other Communist	102.4	107.8	95.8	92.8	151.7
Total Exports to Other	251.2	278.1	260.2	332.8	453.8
Total Exports	428.5	533.6	518.8	529.2	663.0
Total Imports from Other	92.9	89.5	99.1	81.4	118.3

TABLE III : NET TRADE IN RAW WOOL, WITH THE
NON 21 COUNTRY GROUP (mn.lb. Clean)

M denotes Imports
X denotes Exports

	<u>1964</u>		<u>1965</u>		<u>1966</u>		<u>1967</u>		<u>1968</u>	
	M	X	M	X	M	X	M	X	M	X
Argentina		57.5		88.3		99.1		86.4		98.2
(1) Australia	188.9		216.9		189.8		239.0		205.0	
New Zealand	101.5		103.5		114.2		114.9		247.6	
Sth Africa		24.8		26.8		25.7		34.5		25.6
Uruguay		7.9		37.4		35.8		5.8		28.1
5 Wool										
Producers		380.6		472.9		464.6		480.6		604.5
U.K.	42.5	12.4	35.8	19.5	36.3	15.8	26.9	14.0	60.2	17.1
(2) Belgium	11.8	6.3	20.3	8.5	25.6	9.5	22.2	8.6	20.4	7.9
France	8.0	12.6	6.8	12.4	7.6	11.8	6.1	12.9	5.6	18.3
Italy	4.5	3.4	4.5	3.1	7.8	2.4	6.3	1.9	8.0	1.3
Japan	2.4	0.4	2.2	0.2	2.6	0.4	2.4	0.4	4.9	0.4
5 Wool Text.										
Exp.	69.2	35.1	69.6	43.4	79.9	39.9	63.9	37.8	99.1	45.0
Net Trade										
(Imp.)	34.1		26.2		40.0		26.1		54.1	
West Germany	13.9	2.1	8.9	2.1	8.0	1.4	7.4	1.2	10.2	1.7
(3) Netherlands	2.2	4.1	3.7	5.1	3.4	2.8	3.0	2.8	2.8	0.9
Canada	3.0	1.0	1.7	1.5	2.5	1.7	1.2	2.0	1.4	0.2
Sweden	0.7	0.9	1.3	0.7	0.2	1.0	0.3	0.7	1.4	0.9
4 Wool Text.										
Imp.	19.8	8.1	15.6	9.4	14.1	6.9	11.9	6.7	15.8	3.7
Net Trade										
(Imp.)	11.7		6.2		7.2		5.2		12.1	
Austria	0.6	0.7	0.6	0.4	1.9	0.3	0.8	0.1	0.5	0.3
Denmark	0.6	0.4	0.5	0.3	0.4	0.4	0.3	0.5	-	0.1
(4) Finland	-	0.1	-	-	0.2	-	0.3	-	0.3	-
Greece	0.3	0.2	0.5	0.1	0.3	-	0.4	-	1.8	8.3
Ireland	1.0	2.5	0.9	6.2	1.4	5.3	1.4	5.1	0.1	-
Norway	0.5	0.1	0.3	0.2	-	0.5	0.2	-	0.1	0.9
Switzerland	0.9	0.7	1.5	0.7	0.9	0.9	2.1	0.8	0.6	0.2
(5) 7 Western										
Europe	3.9	4.7	4.3	7.9	5.1	7.4	5.5	6.5	3.4	9.8
Net Trade										
(Imp.)		0.7		3.6		2.3		0.9		6.4
21 Countries:										
Exports		428.5		533.6		518.8		531.6		663.0
Imports	92.9		89.2		99.1		81.3		118.3	
Net Exports		335.6		444.1		419.7		450.3		544.7

IV. SUPPLY STOCKS AND WOOL AVAILABLE FOR MILL CONSUMPTION

Wool production in the 21 country group, less exports to, plus imports from, countries outside the group, plus wool released from or absorbed by official stockpiles and grower carryovers, gives the amount of wool available for mill consumption in the group. These figures are graphed in the top half of Figure 4 based on the data given in Table IV. Wool Supplies available have fluctuated very markedly mainly due to the fluctuations in net releases from supply stocks. The major reason for these latter fluctuations, in recent years, has been the continual cyclical movement in carryover stocks in South America, and latterly in New Zealand where the principal force has been the New Zealand Wool Commission. For example in New Zealand 20⁴ mn. lbs. of wool were absorbed into stockpiles and carryovers in 1967, while in 1968 wool was released at the rate of 29 mn.lbs.

Figure 4 also shows the levels of mill consumption in the 21 country group. There is apparent in the diagram a high degree of concordance year by year between the amount of wool available for consumption and the amount consumed due to the elasticity imparted to supply by the absorption and release of wool from supply stocks. Without this it is likely that price fluctuations, induced by the confrontation of fluctuating mill consumption with steady wool production, would be much greater than they already are.

The residual difference between supplies of wool available for consumption with amounts actually consumed should in theory represent the annual changes in commercial stocks. This would be

true if all statistical series had been measured without any errors; or, if the errors were consistent, such as would occur if the clean yields used were consistently too high or low. We are certainly not entitled to make this assumption and the difference between supplies and consumption represents the combined effect of errors and changes in commercial stocks.

V. MILL CONSUMPTION OF RAW WOOL

Figure 5 gives the statistics of mill consumption of raw wool in the five wool producers, the U.S.A., the sixteen wool textile producers and the 21 and 22 country groups.

The marked cyclical fluctuation which characterised mill consumption for most of the period, and which is responsible for fluctuations in prices, seemed to have become much less marked between 1959 and 1963, but appears to be once again evidencing itself.

Table V gives the mill consumption statistics for individual countries.

FIGURE 4

STOCK CHANGES AND WOOL AVAILABLE FOR CONSUMPTION IN 21 COUNTRIES

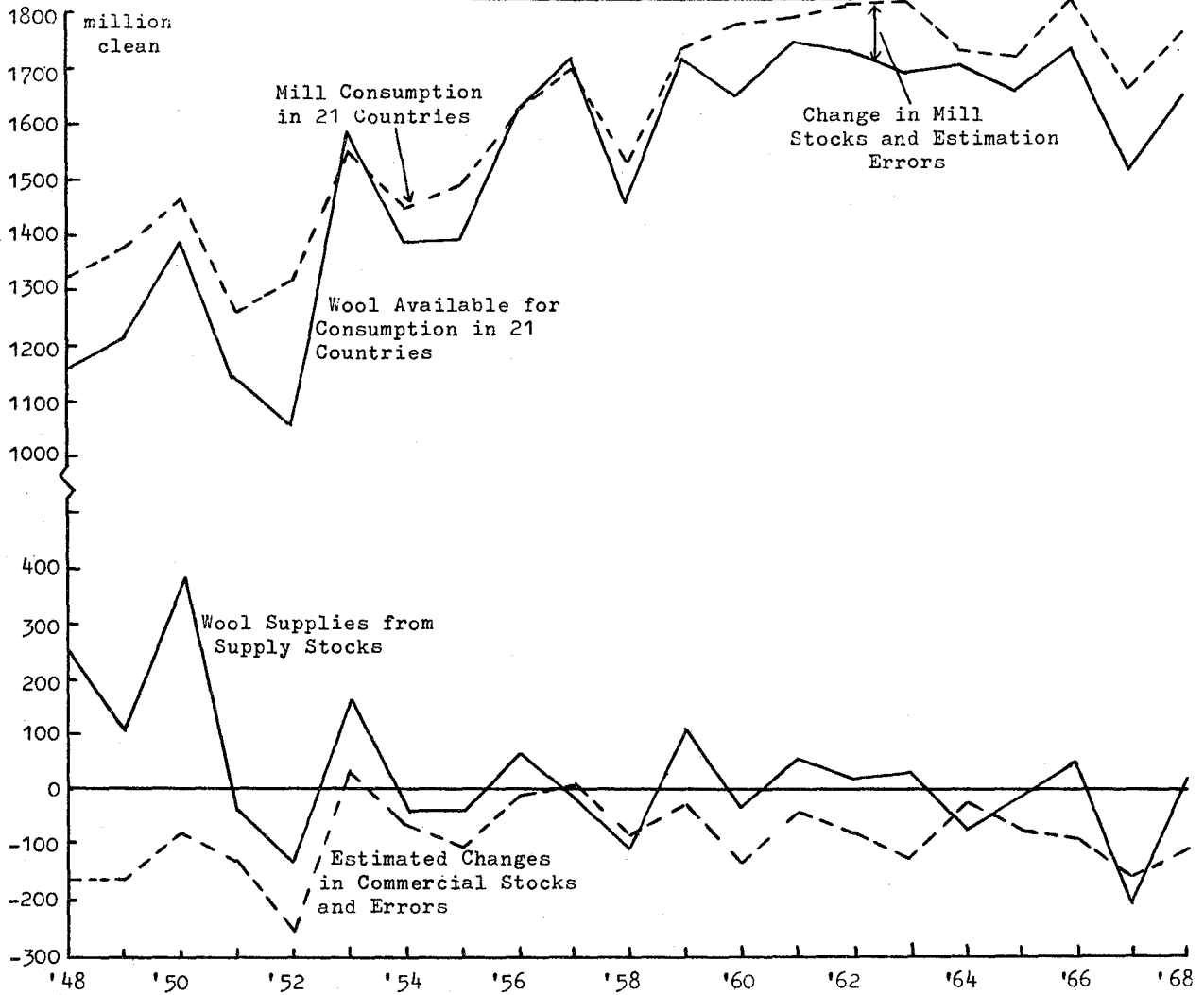


TABLE IV : AVAILABLE SUPPLIES OF WOOL (PRODUCTION PLUS
SUPPLY STOCKS AND CARRYOVERS, mn.lbs. Clean)

	<u>1963</u>	<u>1964</u>	<u>1965</u>	<u>1966</u>	<u>1967</u> [*]	<u>1968*</u> Provisional
1. Production in 22 Countries	2050	2112	2108	2106	2177	2178
2. Net Exports to USA & Other	389	336	444	420	450	545
3. Production less Exports	1661	1776	1664	1686	1727	1633
4. Net Releases from (+) or additions to (-) supply stocks (Details given below)	+ 27	- 68	- 10	+ 49	-204	+ 29
5. Wool Available for Consumption	1688	1708	1654	1735	1523	1662
6. Mill Consumption	1812	1729	1724	1821	1668	1764
7. Difference equals errors in Est'n + Changes in Commercial stocks	-124	- 21	- 70	- 86	-145	-102
<u>Composition of Changes in Supply Stocks</u>						
<u>Releases from or Additions to Carryovers in:</u>						
	(+)	(-)				
Australia	+ 3	- 8	- 11	+ 13	+ 6	+ 9
New Zealand	+ 1	- 3	- 9	+ 4	+ 4	+ 5
South Africa	-	- 1	- 1	+ 1	-	-
Argentina & Uruguay	+ 9	- 55	+ 11	+ 30	- 43	+ 20
<u>Total</u>	+ 13	- 67	- 10	+ 48	- 33	+ 34
<u>Releases from(+) or Additions to(-) Stockpiles</u>						
Joint Organisation Stocks	-	-	-	-	-	-
U.K. Stockpiles (BWMB & Strategic)	+ 14	- 1	+ 1	-	- 7	+ 17
NZ Wool Commission	-	-	-	-	-161	- 11
Sth.Afr.Wool Comm.	-	-	- 1	+ 1	- 3	- 1
<u>Total</u>	+ 14	- 1	0	+ 1	-171	- 5
<u>Total Wool Available from(+) or absorbed by(-) (Carryovers & Stockpiles)</u>						
	+ 27	- 68	- 10	+ 49	-204	+ 29

FIGURE 5

MILL CONSUMPTION OF RAW WOOL

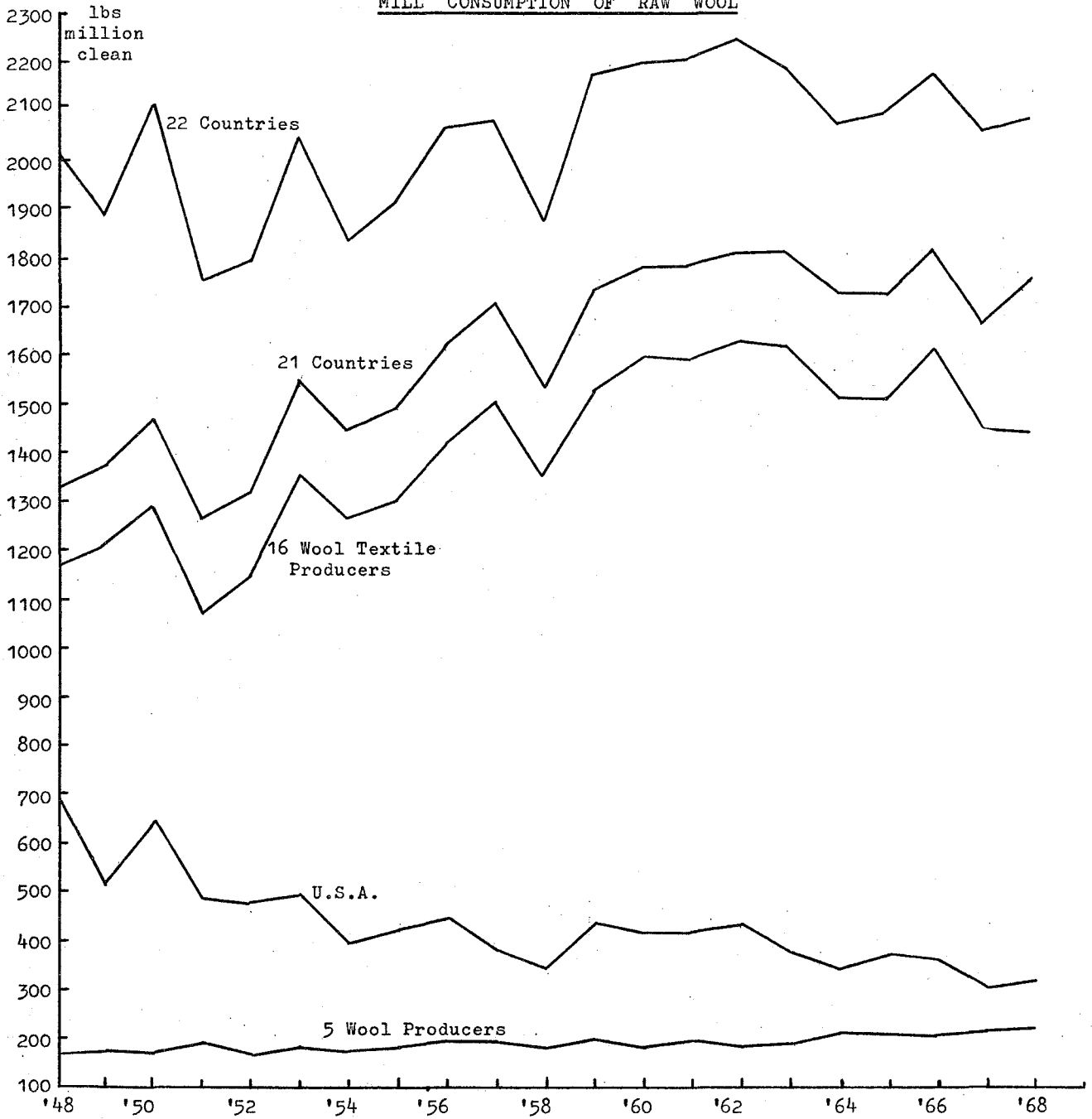


TABLE V : MILL CONSUMPTION OF RAW WOOL
(mn.lbs. Clean)

	<u>1964</u>	<u>1965</u>	<u>1966</u>	<u>1967</u>	<u>1968*</u>
Argentina	53	52	46	47	48
Australia	77	78	72	76	73
New Zealand	11	14	16	16	15
South Africa	26	28	25	28	33
Uruguay	49	40	48	48	51
Total: 5 Wool Producers	216	212	207	215	220
U.K.	418	403	388	360	391
Belgium	95	98	96	81	88
France	245	237	263	217	239
Italy	185	189	242	218	211
Japan	310	326	367	354	371
Total: 5 Wool Text. Exprs.	1253	1253	1356	1230	1300
W. Germany	142	147	150	122	149
Netherlands	22	21	22	20	18
Canada	17	18	18	16	17
Sweden	11	10	10	9	8
Total: 4 Wool Text. Importers	192	196	200	167	192
Austria	16	13	14	10	7
Denmark	5	5	5	5	5
Finland	3	3	4	4	4
Ireland	12	11	9	10	11
Norway	12	10	8	8	7
Switzerland	10	11	8	9	8
Greece	10	10	10	11	12
Total: 7 Western Europe	68	63	58	57	54
Total: 21 Countries	1729	1724	1821	1669	1766
U.S.A.	346	374	360	303	318
Total: 22 Countries	2075	2098	2181	1972	2084

VI. MILL CONSUMPTION OF FIBRES OTHER THAN VIRGIN WOOL

Figure 6 shows the mill consumption of fibres other than virgin wool for the sixteen textile producers and for the 21 and 22 country groups.

These fibres include noils, wastes, broken tops, recovered and re-used wool, shoddy, synthetic fibres, hair, cotton and silk. The data for individual countries is shown in Table VI.

Of greater significance than the absolute level of non wool fibres used is the ratio of wool to total fibres used in the wool textile industry. Trends in this ratio are shown in Figure 7.

Very noticeable is the marked fall in the proportion of wool following the high wool prices of 1963/64 and the partial reversal of the ratio in the 21 country group, possibly influenced by the lower wool prices since then. The decline in the wool ratio in the U.S.A. shows some signs of levelling off after the almost continued fall since the early fifties.

Trends in total fibres consumed in the wool textile industry - a measure of the total activity of the industry are shown in Figure 8 and Table VII. This shows the severity of the decline in wool textile activity in 1967, paralleled only by a similar recession in 1958.

As a result of this work, and A.E.R.U. investigations into per capita fibre availability levels of cotton, wool, synthetics and artificial fibres, it is now clear that there was a general textile recession in 1958 whereas in 1967 wool and wool-mixture textiles only were affected.

FIGURE 6

MILL CONSUMPTION OF
FIBRES OTHER THAN VIRGIN WOOL

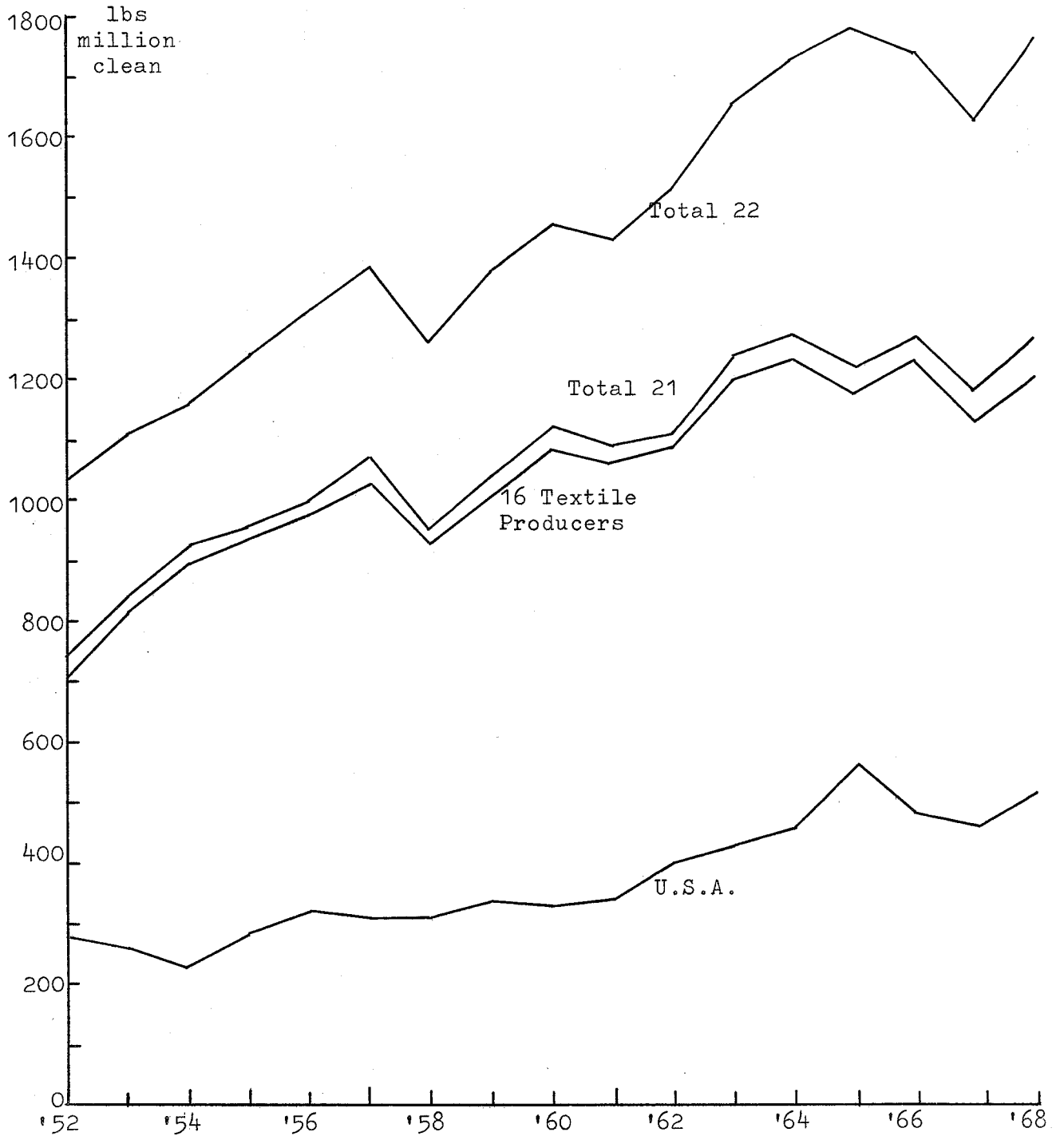
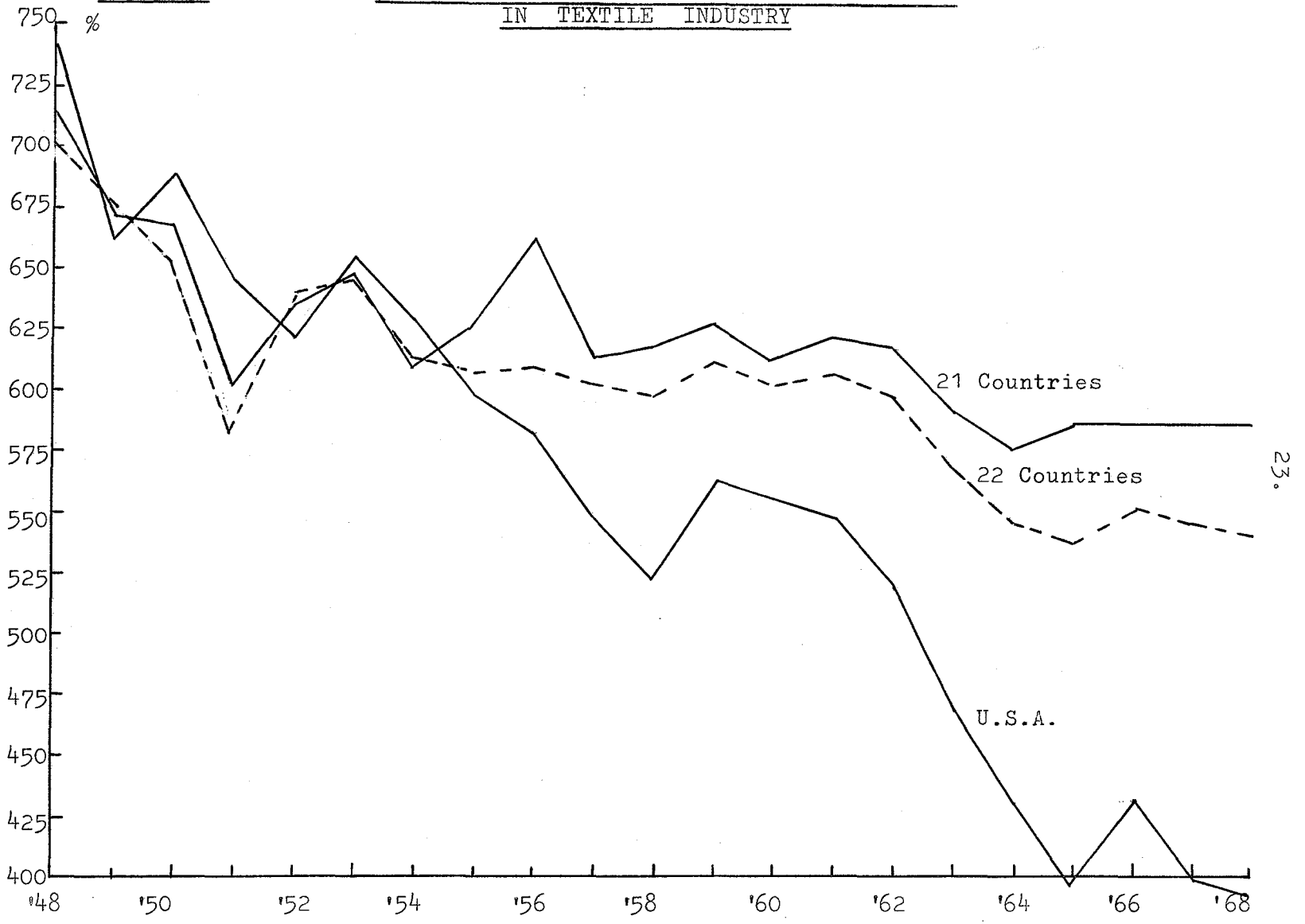


TABLE VI : MILL CONSUMPTION OF FIBRES OTHER THAN VIRGIN WOOL
(Million lbs. clean wool equivalent)

	<u>1964</u>	<u>1965</u>	<u>1966</u>	<u>1967</u>	<u>1968*</u>
Argentina	-	-	-	-	-
Australia	25	25	26	25	28
New Zealand	3	3	4	3	6
South Africa	12	13	12	12	13
Uruguay	-	-	-	-	-
<u>Total: 5 Producers</u>	<u>40</u>	<u>41</u>	<u>42</u>	<u>40</u>	<u>47</u>
U.K.	264	258	260	250	274
Belgium	41	40	43	37	54
France	236	214	248	208	220
Italy	288	269	360	349	358
Japan	136	145	84	78	80
<u>Total: 5 W.T. Exporters</u>	<u>966</u>	<u>926</u>	<u>995</u>	<u>922</u>	<u>986</u>
W. Germany	145	129	117	103	120
Netherlands	30	27	22	17	8
Canada	26	26	26	18	18
Sweden	21	19	20	22	14
<u>Total: 4 W.T. Importers</u>	<u>221</u>	<u>201</u>	<u>185</u>	<u>160</u>	<u>160</u>
Austria	6	9	10	5	5
Denmark	7	7	8	2	2
Finland	7	7	5	6	6
Greece	4	4	14	13	14
Ireland	3	3	9	9	11
Norway	4	4	9	9	8
Switzerland	12	16	16	17	17
<u>Total: 7 W. Europe</u>	<u>45</u>	<u>50</u>	<u>71</u>	<u>61</u>	<u>63</u>
<u>Total: 21</u>	<u>1272</u>	<u>1218</u>	<u>1293</u>	<u>1183</u>	<u>1256</u>
<u>U.S.A.</u>	<u>462</u>	<u>565</u>	<u>476</u>	<u>456</u>	<u>514</u>
<u>Total: 22</u>	<u>1728</u>	<u>1783</u>	<u>1769</u>	<u>1639</u>	<u>1770</u>

FIGURE 7

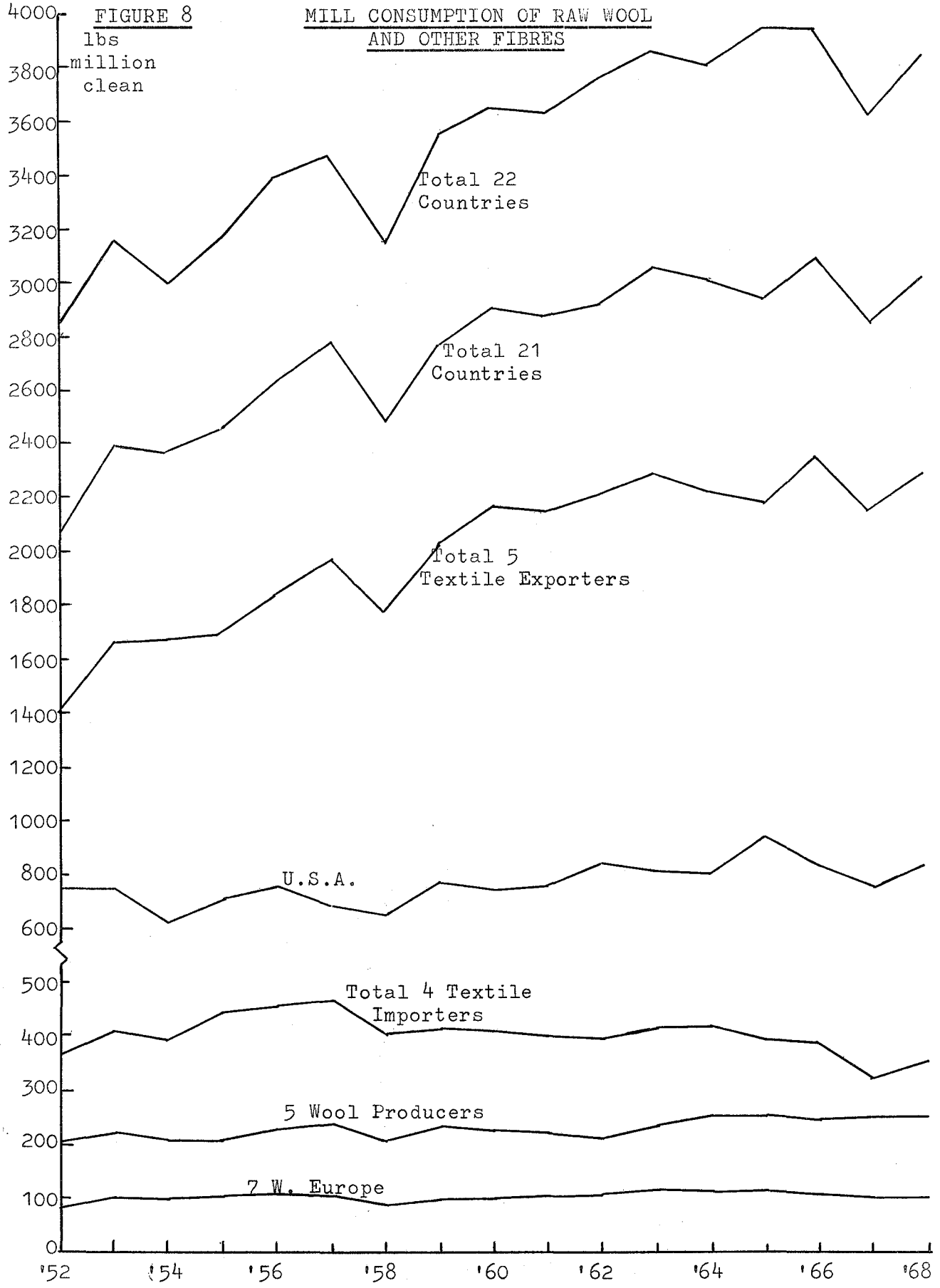
PROPORTION OF WOOL IN FIBRES CONSUMED
IN TEXTILE INDUSTRY



23.

TABLE VII : MILL CONSUMPTION OF RAW WOOL AND
OTHER FIBRES (mn.lbs. clean)

	<u>1964</u>	<u>1965</u>	<u>1966</u>	<u>1967</u>	*Provisional <u>1968*</u>
Argentina	53	52	46	47	48
Australia	102	103	98	101	101
New Zealand	14	17	20	19	21
South Africa	38	41	37	40	46
Uruguay	49	40	48	48	51
<u>Total: 5 Producers</u>	<u>256</u>	<u>253</u>	<u>249</u>	<u>255</u>	<u>267</u>
U.K.	682	661	648	610	665
Belgium	136	138	139	118	142
France	481	451	511	425	459
Italy	473	458	602	567	569
Japan	446	471	451	432	451
<u>Total: 5 W.T. Exporters</u>	<u>2219</u>	<u>2179</u>	<u>2351</u>	<u>2152</u>	<u>2286</u>
W. Germany	287	276	267	225	269
Netherlands	52	48	44	37	26
Canada	43	44	44	34	35
Sweden	32	29	30	31	22
<u>Total: 4 W.T. Importers</u>	<u>414</u>	<u>397</u>	<u>385</u>	<u>327</u>	<u>352</u>
Austria	22	22	24	15	12
Denmark	12	12	13	7	7
Finland	10	10	9	10	10
Ireland	15	14	18	19	22
Norway	16	14	17	17	15
Greece	14	14	24	24	26
Switzerland	22	27	24	26	25
<u>Total: 7 W. Europe</u>	<u>111</u>	<u>113</u>	<u>129</u>	<u>118</u>	<u>117</u>
<u>Total: 21</u>	<u>3001</u>	<u>2942</u>	<u>3114</u>	<u>2852</u>	<u>3022</u>
<u>U.S.A.</u>	<u>808</u>	<u>939</u>	<u>836</u>	<u>759</u>	<u>832</u>
<u>Total: 22</u>	<u>3801</u>	<u>3881</u>	<u>3950</u>	<u>3611</u>	<u>3854</u>



VII. NET TRADE OF WOOL-TYPE TEXTILES

Of the wool and other fibres consumed at mill level in the 21 Country Group, a proportion is shipped throughout the world as exports of textiles both to countries within and without the group. Table VIII shows the net exports (shown as negative quantities) and net imports of each country, the total net exports of the 21 countries, the net imports of the U.S.A. from the 21 Country Group, and Other Countries, and the net exports of 22 countries. All these trade flows are measured in lb. of fibre content by converting Wool Intelligence data with F.A.O. conversion factors. Figure 9 shows the main trends for the respective groups.

The rate of increase in net exports of wool textiles by 21 Country Group is similar in nature to the fast rate of increase in net exports of raw wool to countries outside the group, though in both cases there has been a marked decline in recent years.

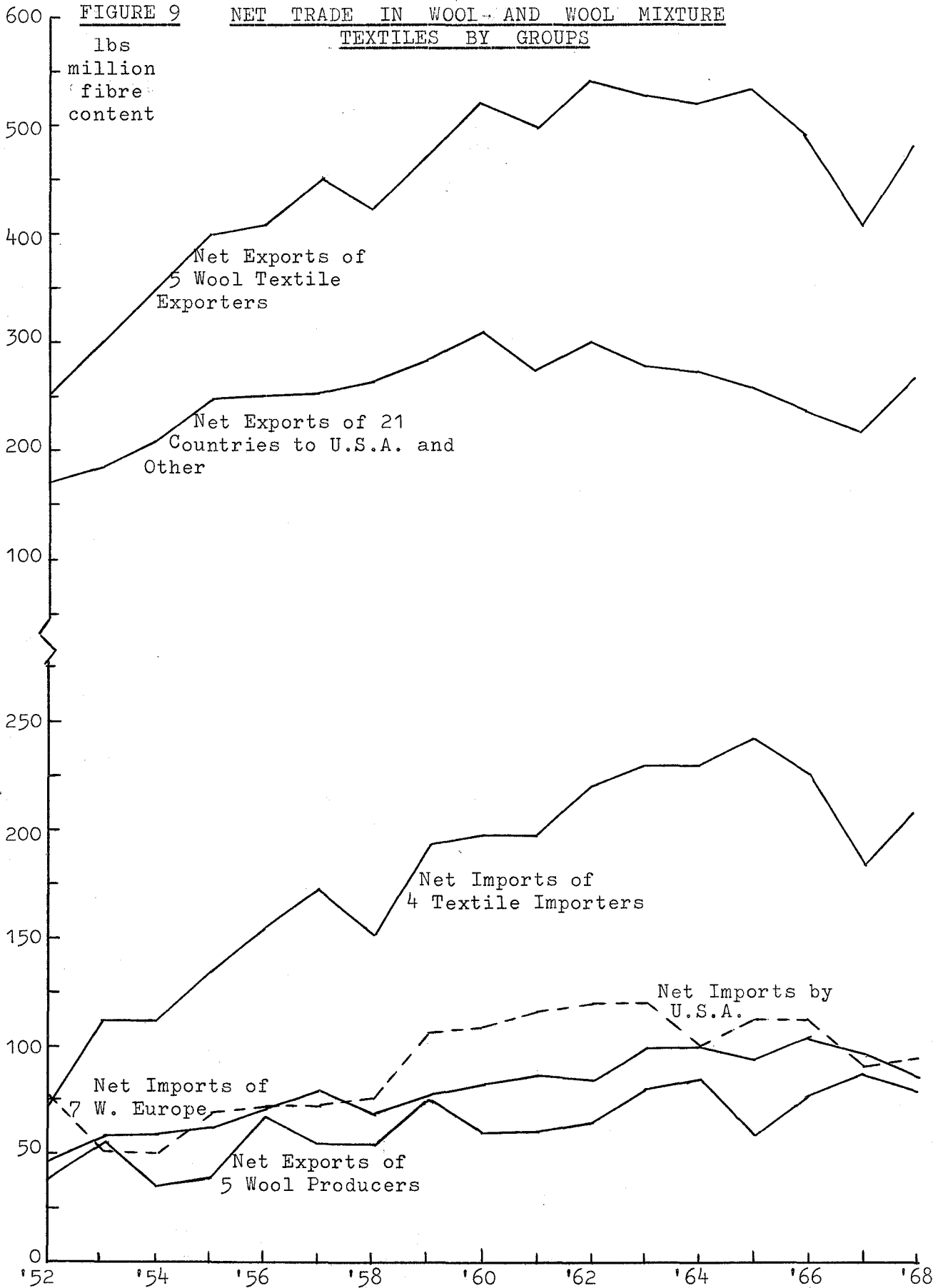


TABLE VIII : NET TRADE BY COUNTRIES OF WOOL-TYPE
TEXTILES (mn.lbs. fibre content)

	<u>1964</u>	<u>1965</u>	<u>1966</u>	<u>1967</u>	*Provisional <u>1968*</u>
Argentina	- 18.09	- 12.98	- 11.19	- 14.40	- 13.49
Australia	- 34.42	- 23.22	- 28.50	- 27.50	- 22.02
New Zealand	5.26	5.70	5.84	3.94	2.17
South Africa	0.81	- 1.60	- 6.49	- 8.26	- 5.30
Uruguay	- 38.53	- 29.57	- 35.99	- 38.43	- 43.00
<u>Total: 5 Producers</u>	- 84.97	- 61.67	- 76.33	- 84.65	- 81.64
U.K.	-168.05	-154.58	-139.14	-108.66	-130.82
Belgium	- 66.12	- 67.01	- 54.42	- 49.42	- 49.31
France	-102.79	-114.86	-111.70	-101.83	-102.84
Italy	-112.31	-127.74	-123.51	-104.84	-129.81
Japan	- 72.11	- 71.39	- 63.90	- 46.52	- 70.40
<u>Total: 5 W.T. Exporters</u>	-521.38	-535.58	-492.67	-411.27	-483.18
West Germany	135.96	152.39	137.35	104.16	125.51
Netherlands	39.24	33.89	37.6	25.25	31.26
Canada	33.65	33.28	31.02	30.14	33.81
Sweden	22.52	22.71	20.84	22.98	21.11
<u>Total: 4 W.T. Importers</u>	231.37	242.27	226.81	182.53	211.69
Austria	18.54	16.92	17.63	16.30	21.15
Denmark	20.69	23.01	20.14	18.83	15.43
Finland	13.27	11.36	14.24	13.46	11.92
Ireland	5.82	4.00	3.46	4.61	7.18
Norway	7.29	6.07	7.95	8.61	7.79
Switzerland	21.04	18.13	21.79	20.40	21.23
Greece	12.12	15.34	17.78	13.91	-
<u>Total: 7 W. Europe</u>	98.77	94.83	102.99	96.12	84.70
<u>Total: 21</u>	-276.21	-260.15	-239.20	-217.27	-268.43
<u>U.S.A.</u>	101.94	113.18	114.66	93.37	96.49
<u>Total: 22</u>	-174.27	-146.97	-124.54	-123.90	-171.94

VIII. WOOL-TYPE TEXTILES AVAILABLE FOR CONSUMPTION

After allowing for net trade in wool-type textiles, the balance represents the quantity available for domestic consumption.

These figures, given in Table IX, are graphed in Figure 10.

The appearance of cyclical fluctuation in the figures, while representing to some extent similar changes in consumer demand, must be interpreted with care. The figures only represent amounts available for consumption. Adjustment for inventory changes (on which we have no data) would need to be made before the figures could be taken as a measure of annual consumption, though they provide a valid representation of general trends.

The marked fall in wool-type textiles available for consumption (and therefore presumably in consumption itself) in 1967 is apparent in all countries as an underlying feature of the 1967/68 recession.

FIGURE 10. TOTAL FIBRE CONTENT OF WOOL AND WOOL MIXTURE
TEXTILES AVAILABLE FOR CONSUMPTION

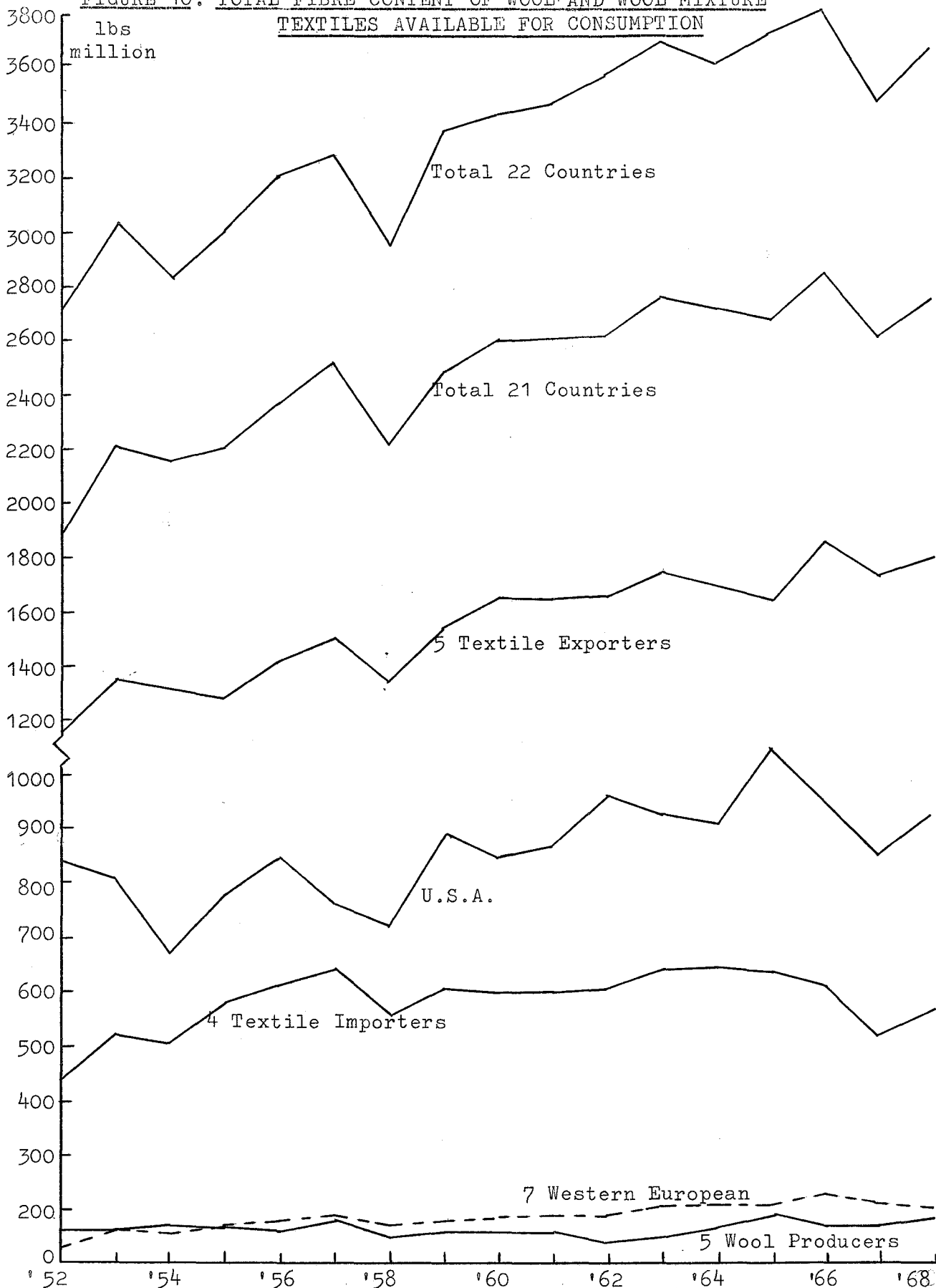


TABLE IX : WOOL TEXTILES INCLUDING OTHER FIBRES
AVAILABLE FOR CONSUMPTION
(mn.lbs. fibre content)

	<u>1964</u>	<u>1965</u>	<u>1966</u>	<u>1967</u>	*Provisional <u>1968*</u>
Argentina	34.91	39.02	34.81	32.60	34.51
Australia	67.58	79.78	69.50	73.50	78.98
New Zealand	19.26	22.70	25.84	22.94	23.17
South Africa	38.81	39.40	30.51	31.74	40.70
Uruguay	10.47	10.43	12.01	9.57	8.00
<u>Total: 5 Producers</u>	<u>171.03</u>	<u>191.33</u>	<u>172.67</u>	<u>170.35</u>	<u>185.36</u>
U.K.	513.95	506.42	508.86	501.34	534.18
Belgium	70.88	70.99	84.58	68.58	92.69
France	378.21	336.14	399.30	323.17	356.16
Italy	360.69	330.26	478.49	462.16	439.19
Japan	373.89	399.61	387.10	385.48	380.60
<u>Total: 5 W.T. Exporters</u>	<u>1697.62</u>	<u>1643.42</u>	<u>1858.33</u>	<u>1740.73</u>	<u>1802.82</u>
West Germany	422.96	428.39	404.35	329.16	394.51
Netherlands	91.24	81.89	81.60	62.25	57.26
Canada	76.65	77.28	75.02	64.14	68.81
Sweden	54.52	51.71	50.84	53.98	43.11
<u>Total: 4 W.T. Importers</u>	<u>645.75</u>	<u>639.27</u>	<u>611.81</u>	<u>509.53</u>	<u>563.69</u>
Austria	40.54	38.92	41.63	31.30	33.15
Denmark	32.69	35.01	33.14	25.83	22.43
Finland	23.27	21.36	23.24	23.46	21.92
Ireland	20.82	18.00	21.46	23.61	29.18
Norway	23.29	20.07	24.95	25.61	22.79
Switzerland	43.04	45.13	45.79	46.40	46.23
Greece	26.12	29.34	41.78	37.91	26.00
<u>Total: 7 W. Europe</u>	<u>209.77</u>	<u>207.83</u>	<u>231.99</u>	<u>214.12</u>	<u>201.70</u>
<u>Total: 21</u>	<u>2724.79</u>	<u>2681.85</u>	<u>2874.80</u>	<u>2634.73</u>	<u>2753.57</u>
<u>U.S.A.</u>	<u>909.94</u>	<u>1052.18</u>	<u>950.66</u>	<u>852.37</u>	<u>928.49</u>
<u>Total: 22</u>	<u>3626.73</u>	<u>3734.03</u>	<u>3825.46</u>	<u>3487.10</u>	<u>3682.06</u>

IX. PER CAPITA AVAILABILITY OF WOOL-TYPE TEXTILES

The figures of Table IX, after division by population in each country, give the wool-type textiles available for consumption per capita set out in Table X and graphed in Figure 11.

Of salient importance here is the fact that while most groups of countries show a slowly rising trend (with very marked cycles) in per capita availability, the trend in the five raw wool producing countries has been consistently downwards with much the same pattern as that shown in the United States - possibly due to the high levels of protection afforded wool textile industries, and therefore higher prices charged for wool textiles, in these countries.

Per capita availability of wool-type textiles in all countries is increasing again after the sharp decline in 1967 but has still not reached its former 1966 level.

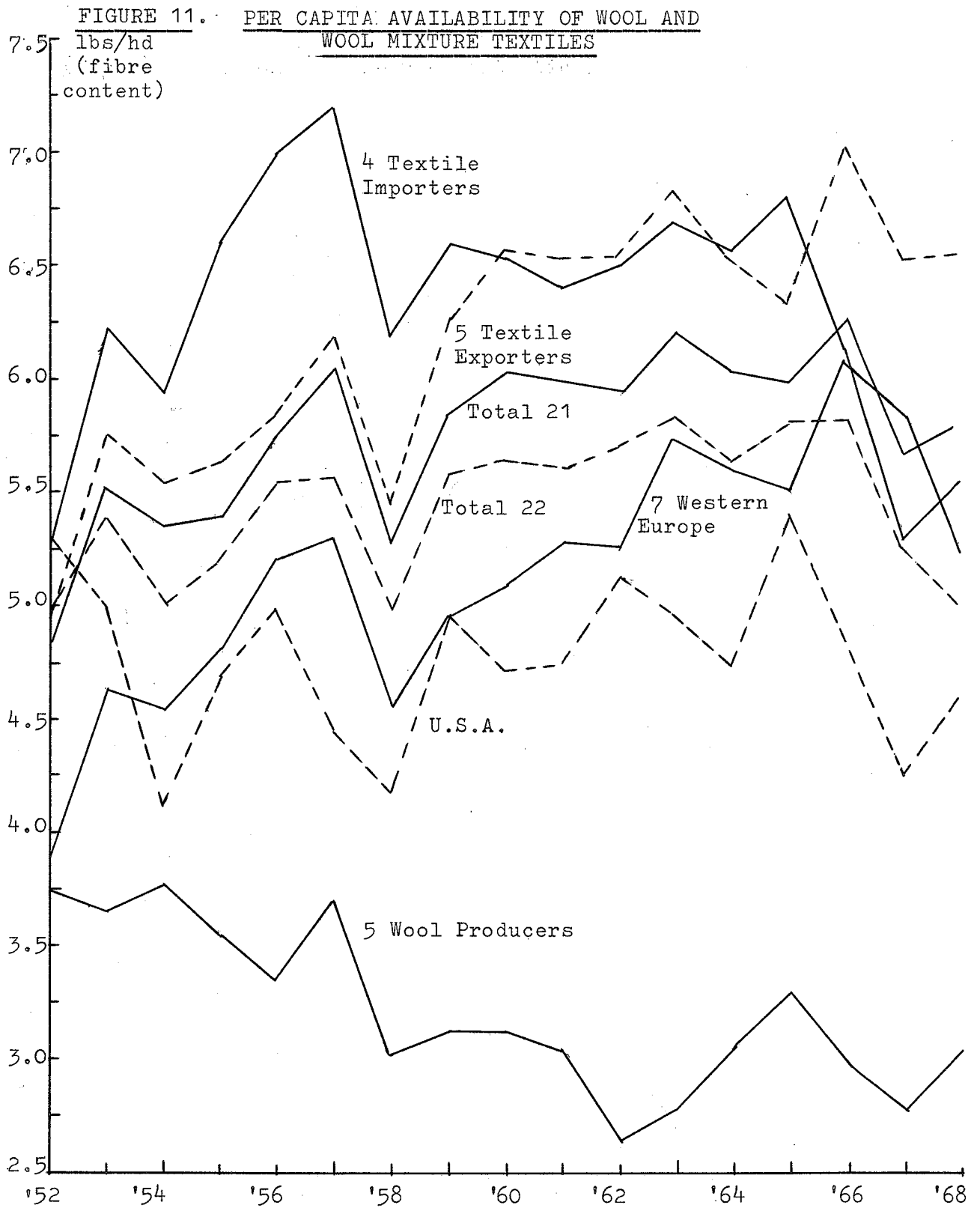


TABLE X : PER CAPITA AVAILABILITY OF WOOL TEXTILES
INCLUDING FIBRES OTHER THAN VIRGIN WOOL
(Fibre content, lbs. per head)

	<u>1964</u>	<u>1965</u>	<u>1966</u>	<u>1967</u>	*Provisional <u>1968*</u>
Argentina	1.59	1.75	1.52	1.40	1.46
Australia	6.08	7.04	5.99	6.22	6.56
New Zealand	7.42	7.46	9.66	8.42	8.42
South Africa	2.22	2.15	1.67	1.69	2.12
Uruguay	3.90	3.84	4.37	3.44	2.84
<u>Total: 5 Producers</u>	<u>3.06</u>	<u>3.29</u>	<u>2.96</u>	<u>2.79</u>	<u>3.07</u>
U.K.	9.51	9.63	9.30	9.10	9.66
Belgium	7.56	7.50	8.88	7.16	9.64
France	7.81	6.85	8.12	6.52	7.13
Italy	7.06	6.40	9.20	8.83	8.33
Japan	3.86	4.07	3.92	3.86	3.76
<u>Total: 5 W.T. Exporters</u>	<u>6.53</u>	<u>6.33</u>	<u>7.03</u>	<u>6.53</u>	<u>6.56</u>
West Germany	7.14	7.81	6.78	5.50	6.56
Netherlands	7.52	6.66	6.55	4.94	4.49
Canada	3.98	3.89	3.74	3.14	3.31
Sweden	7.12	6.69	6.65	6.86	5.49
<u>Total: 4 W.T. Importers</u>	<u>6.56</u>	<u>6.80</u>	<u>6.12</u>	<u>5.06</u>	<u>5.55</u>
Austria	5.62	5.36	5.71	4.27	4.51
Denmark	6.93	7.36	6.91	5.34	4.60
Finland	5.08	4.63	5.01	5.03	4.68
Ireland	7.27	6.37	7.44	8.14	10.03
Norway	6.30	5.39	6.65	6.77	5.97
Switzerland	7.33	7.59	7.63	7.64	7.52
Greece	3.07	3.43	4.85	4.35	2.95
<u>Total: 7 W. Europe</u>	<u>5.60</u>	<u>5.51</u>	<u>6.11</u>	<u>5.59</u>	<u>5.23</u>
<u>Total: 21</u>	<u>6.03</u>	<u>5.98</u>	<u>6.24</u>	<u>5.67</u>	<u>5.87</u>
<u>U.S.A.</u>	<u>4.74</u>	<u>5.41</u>	<u>4.83</u>	<u>4.28</u>	<u>4.62</u>
<u>Total: 22</u>	<u>5.74</u>	<u>5.81</u>	<u>5.82</u>	<u>5.25</u>	<u>5.49</u>

X. ANNUAL CHANGES IN THE SOURCES AND USES OF WOOL FROM 1952 TO 1968.

We can broadly summarise the trends shown in the preceding tables and charts by setting down the changes each year from 1952 to 1968 in the 21 Country Group.

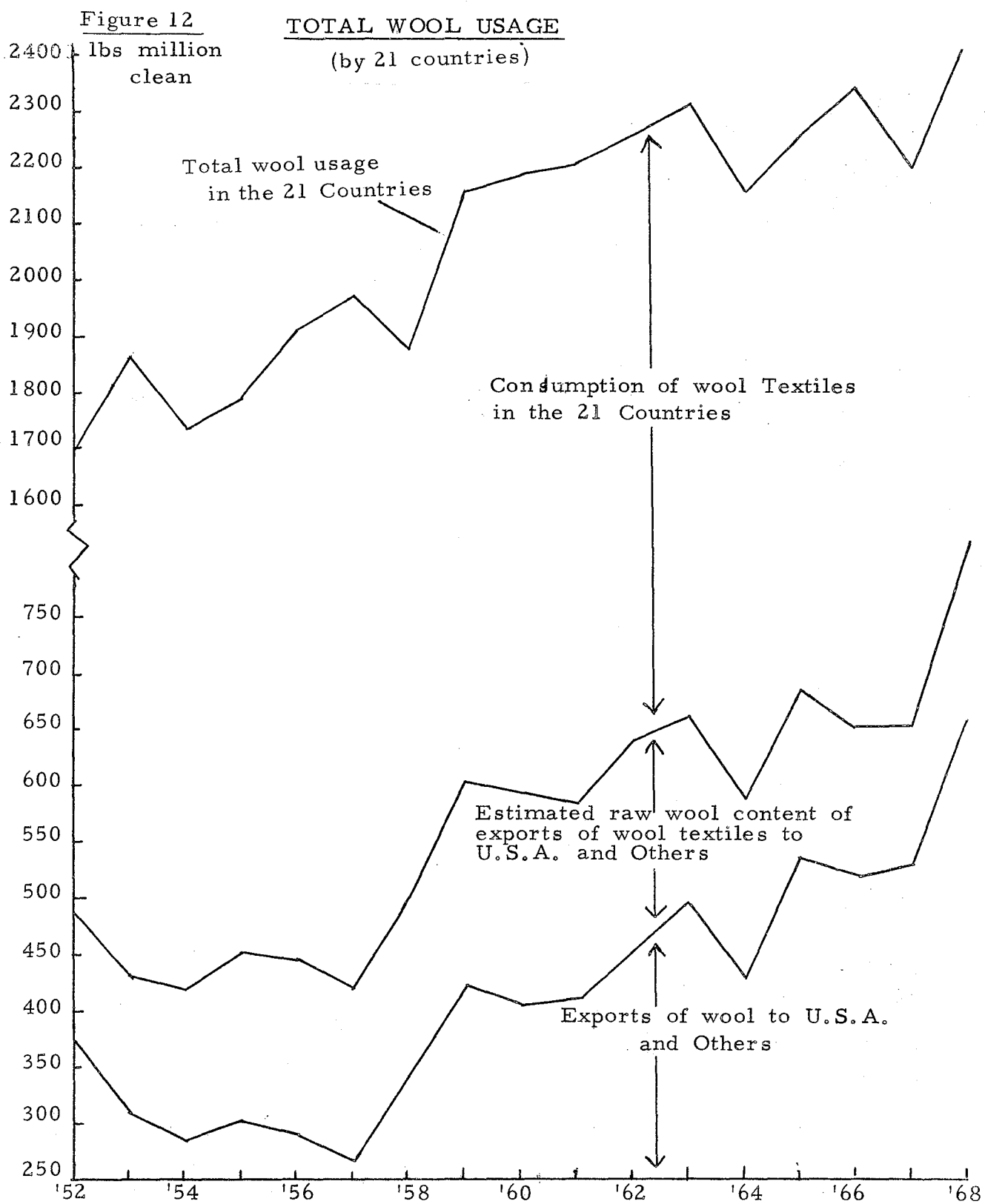
Table XI shows for each year over the period 1952 to 1968, the sources of wool supplies in the 21 Country Group, and the way in which these supplies were used as between virgin wool content of textile consumption in 21 countries, exports of raw wool and of wool textiles, and in between each year the change in these variables is shown.

Figure 12 shows the same information in graphical form and highlights the preponderant influence of wool textile consumption in the 21 Country Group, together with the steady upward trend in exports of wool and wool textiles to non group countries.

A more detailed picture of the annual fluctuation in the uses of wool over the period is shown in Figures 13 and 14.

TABLE XI : CHANGES IN SOURCES & USES OF WOOL
(millions of lbs. clean)

	<u>1963</u>	<u>Change</u>	<u>1964</u>	<u>Change</u>	<u>1965</u>	<u>Change</u>	<u>1966</u>	<u>Change</u>	<u>1967</u>	<u>Change</u>	<u>1968</u>
<u>Sources of Wool:</u>											
Wool from production, imports & supply stocks	2182	- 45	2137	+ 50	2187	+ 67	2254	-212	2042	+273	2315
Wool withdrawn from Comm. Stocks & Est. Errors	124	-103	21	+ 49	70	+ 16	86	+ 59	145	- 43	102
Total Wool Supplies	2306	-148	2158	+ 99	2257	+ 83	2340	-153	2187	+230	2417
<u>Uses of Wool Supplies:</u>											
Exports of Wool to U.S.A.	236	- 59	177	+ 79	256	+ 3	259	- 63	196	+ 13	209
Exports of Wool to other Countries	259	- 8	251	+ 27	278	- 18	260	+ 73	333	+121	454
Estimated Raw Wool Content of:											
1. Net Exports of wool textiles to U.S.A.	71	- 12	59	+ 7	66	+ 1	67	- 12	55	+ 1	56
2. Net Exports of wool textiles to Other Countries	95	+ 6	101	- 15	86	- 13	73	- 1	72	+ 29	101
3. Consumption of wool textiles in 21 Countries	1646	- 76	1570	+ 2	1572	+109	1681	-139	1542	+ 67	1609
Errors Unaccounted for	- 1	- 1	-	- 1	- 1	+ 1	-	- 11	- 11	+ 1	- 12
Total Wool Usage	2306	-148	2158	+ 99	2257	+ 83	2340	-153	2187	+230	2417



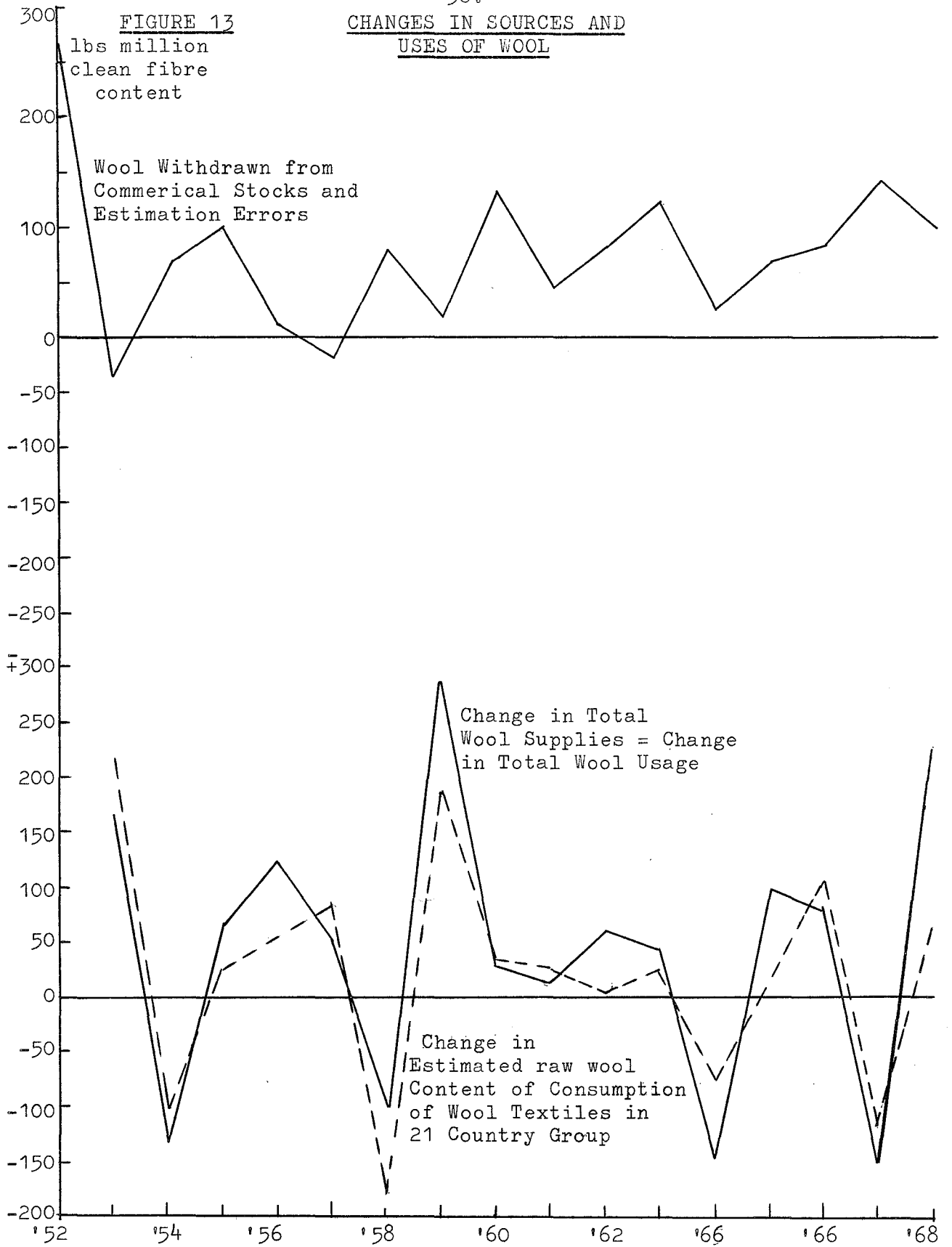
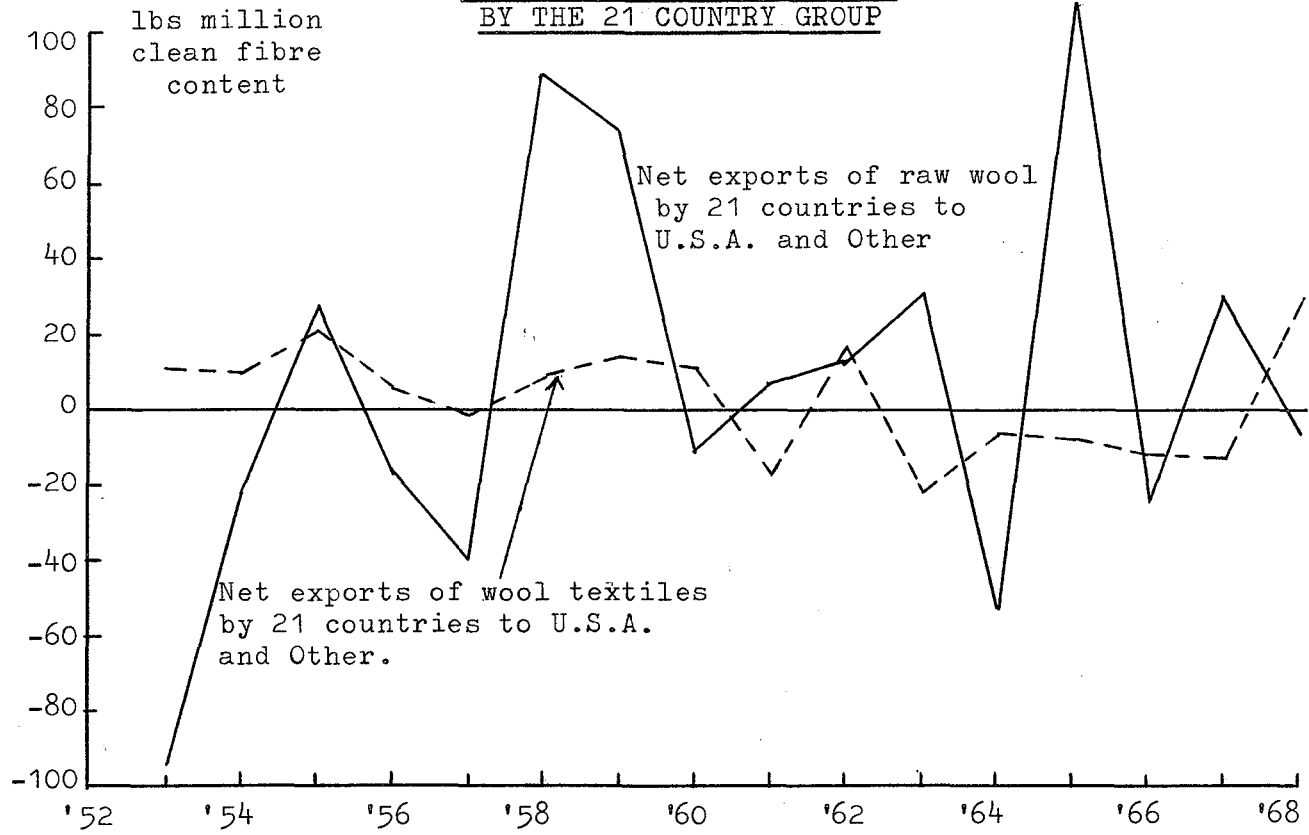


FIGURE 14. ESTIMATED WOOL CONTENT OF CHANGES IN EXPORTS
OF WOOL AND WOOL TEXTILES
BY THE 21 COUNTRY GROUP



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