

Australian and Chinese Wool and Woollen Textile Industries Working Together

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Working Together

- Australian and Chinese woollen industries have been working together for their improvement for several decades.
- Australia is the largest producer of wool in the world.
- China is a critical component of the Australian wool industry as 60% of national greasy wool exports go to China.
- Approximately 37% of the world's woollen apparel is produced in China.

Australia has provided assistance in China with:

- Sheep production
- Wool marketing
- Wool textile mills
- Industry wide issues

Sheep Production

- Grassland management and improvement
- Sheep diseases, parasites and nutrition
- Sheep breeding technology and genetics
- Sheep husbandry/management, shearing

Wool Marketing

- Preparation of wool for sale
- Introduction of objective measurement of wool characteristics
- Measurement technology and instruments
- Linking domestic Chinese herders with textile mills

Wool Textile Mills

- Wool processing technology
- Mill management techniques
- Management of effluent from wool scours
- Wool technology education

Industry Wide Issues

- Sheep and wool industry economics and policy
- Grasslands management policies
- Restructuring of the wool textile sector

Funding sources for Australian assistance:

- Australian Government Development Assistance Agencies (eg., AIDAB/AusAID)
- Australian Centre for International Agricultural Research (ACIAR)
- On-going Australian woolgrower funded programs (AWI and pre-existing Australian grower agencies such as AWC, IWS etc)
- Special “High-level” Australian Government-to-government programs
- Exchanges under the Australian China Agricultural Cooperation Agreement (ACACA)

Examples of AusAID Projects

- **Gansu Grassland Agricultural Systems R&D Project**
 - 1985 to 1992 (AUD) \$5.12 million
 - Sheep/wool component AUD \$2 million
- Increase productivity and reduce degradation
- Training for officials and extension staff
- Strengthening R&D capacity of GGERI (Gansu Grasslands Environmental Research Institute)

Examples of AusAID Projects

- **Xinjiang Sheep and Wool Research Centre Project**
 - 1991 to 1996 (AUD) \$10.5 million
- Establish a leading Sheep Research Centre
- Training in breeding and management technologies
- Introduction of objective measurement into sheep selection and breeding program
- Strengthen R&D capacity of the Xinjiang Academy of Animal Sciences

Examples of ACIAR Projects

- **Mineral Nutrition of Sheep in Inner Mongolia, Gansu and Xinjiang**
 - 1985 to 1990 (AUD) \$0.6 million
- Grazing trials at Aohan (Inner Mongolia), Huang Cheng (Gansu), and Nan Shan (Xinjiang) Farms
- Analysis of pasture, blood and tissue samples
- Identification of mineral deficiencies
- Develop and demonstrate practical remedies
- Strengthen analytical capacity in Chinese laboratories

Examples of ACIAR projects

- **Effects of internal parasites and nutrition on sheep and wool production in Inner Mongolia, Gansu and Xinjiang**
– 1987 to 1990 (AUD) \$0.74 million
- Identify significance of Helminth infections as causes of low wool production (quantity and quality)
- Assess practical management strategies to reduce parasite infections

Examples of ACIAR projects

- **Economics of raw wool production and marketing**
 - 1989 to 1992 (AUD) \$0.8 million
- Identify and analyse major economic and policy constraints to wool production and marketing
- Broaden understanding of wool within key Beijing research and policy institutions

Examples of ACIAR projects

- **Treatment of wool scour effluent**
 - 1999 to 2003 (AUD) \$1.1 million
- Improve wool scouring and treatment of effluent to reduce environmental damage
- Training mill technicians to monitor mill effluent and to introduce alternative more environmentally friendly treatment methods

Australian Wool Innovation (AWI)

- AWI is an R&D company funded by Australian woolgrowers and works to increase the demand for Australian Merino wool.
- AWI recognises the importance of the Chinese Textile industry to the Australian wool industry.
- AWI has invested approximately AUD\$14 million in China over the last 5 years.

AWI in China

- Investment in China includes:
 - AWI offices Shanghai and Hong Kong
 - participation in trade shows such as SpinExpo and InterTextile
 - education and training in the Chinese supply chain
 - R&D support to Chinese textile companies
 - eg Nanshan, Xinlong, Heilan, Sunshine, Nijixiang and Xinao Group
- AWI works with businesses in China to develop new innovative Merino products ie Business to Business (B2B)

Australian Wool Innovation

- We have adopted a B2B strategy based upon the “KIM” formula.



K = Knowledge (all about Merino)

I = Innovation (new solutions and opportunities)

M = Marketing (marketing tools and solutions)

- This allows us to foster the retailing success of our B2B partners.



B2B Partnerships - Youngor

- AWI is working in partnership with the Youngor Group, the largest suit manufacturer in China
- The AWI / Youngor partnership has developed the
Merino Travel Suit
美丽诺羊毛商务旅行套装
- Business travellers need clothing that will remain crush resistant, crease resistant and free from unsightly stains at the end of the journey when they arrive at their destinations.



B2B Partnerships

- AWI provided the transfer of technology to the Heilan Group to create the Machine Washable Suit
- Heilan Group is one of China's largest clothing manufacturers and a large retailer.
- The suit is 50% wool 50% polyester blend with a special interlining and tailoring in the suit to allow machine washability.



海澜集团
HEILAN GROUP

Australia / China Free Trade Agreement

- A FTA agreement between Australia and China is the next step in the history of the two countries working together for the benefit of both countries.
- Wool is the biggest agricultural export from Australia to China and is the second biggest overall
- Australian wool exports to China complement China's wool production in meeting the needs of the Chinese wool textile industry
- An FTA will formalise and deepen this complementarity

• australian wool
innovation
• limited