



10 April 2019

Dear Industry Member

## WOOL EXPORTS FROM SOUTH AFRICA - FMD

During the IWTO Congress currently taking place in Venice, Italy, the head of delegation of the South African Wool Industry representatives, arranged a meeting with the Chinese delegation. The purpose of the meeting was to obtain first-hand information of the current status of the suspension by China of all wool, both processed and greasy, and to establish a platform for discussion of biosecurity issues and other possible trade barriers between the two countries for the trade of wool.

The Chinese delegation shared the following insights into the current status:

- In 2018 there was a dramatic reshuffle within the Chinese Government departments, including Agriculture and Customs.
- The outbreak of other animal diseases in China is receiving priority from Chinese authorities.
- The repeated outbreak of FMD in South Africa is of great concern to China.
- To undertake further bilateral trade visits between the two countries will not currently yield any positive results.
- The current difficult trading environment between the Peoples Republic of China and the United States of America is currently also receiving priority from Chinese authorities to resolve this issue.

The view was expressed by the Chinese delegation that the key issue would be to regain FMD-free status from the OIE, but that there could still be a cooling off period imposed by the Chinese Government after South Africa regains its FMD-free status. Inter-governmental communication at the highest level will remain critical to expedite the process.

Contact persons within China and South Africa have been agreed upon for future communication between the two delegations.

After these discussions, it seems evident that there could still be a substantial delay before the suspension is lifted from China, and we therefore urge producers to consult with their brokers on any marketing decisions.

The Wool Industry and Cape Wools SA, as the representative industry body, will continue to exert pressure on the relevant parties to reach a solution to the current situation, as well as to continue negotiations for the opening of other export destinations

Yours sincerely

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