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## Japanese wool giant closes Brokers Concerned

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In a move that has shocked the wool industry, one of the world's leading wool traders will close down within six months.

The Japanese company, Itochu Wool, began operating in Australia in 1957.

It became the largest buyer of wool at Australian auctions in the 1960s and held that position for the next 40 years.

But the Itochu Corporation has now announced its wool arm will be liquidated.

Australian Wool Growers Association's Martin Oppenheimer blames declining wool production and poor industry leadership.

"It's certainly a sad day for the wool industry, and it's certainly a sign of decline and we've really got to address this issue of sheep numbers and wool production," he said.

"We've got to look at our whole industry and we've got to look at our leadership and can we grow our industry again and I'd say with the current leadership and the current direction that we have, it's not going to happen.

"We're just going to continue to see decline."

### **Wool closure worries brokers**

Wool brokers are nervous about who'll be able to fill the huge financial gap left by Itochu Wool, which plans to close its Australian buying division.

Scott Carmody from Australian Wool Exporters says Itochu has financed orders from countries like India and Japan, with a loan facility of up to \$60 million over 180 days.

He says other wool trading companies can't carry that level of debt.

"A lot of the smaller companies can't afford to offer credit terms like that," he says. "A lot of the major users overseas in India and Japan particularly have got used to having those luxurious credit terms provided, and really those bigger exporters act like banks to these customers."

Source: ABC Rural

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