



PRESS RELEASE

The industry must unite in order to ensure there is a future for wool in apparel

Brussels, 19.07.2005

The wool industry has stopped talking to its customers and promoting its products. This is plainly evident in the poor prices achieved by the grower, the subsequent low margins achieved by the rest of the chain and the reducing quantities that are purchased year on year. We have not been promoting our products and therefore the only factor that we have been able to use to differentiate ourselves is price. This has meant a reduction in margins throughout the demand chain to a level that is no longer sustainable. Our product has such strong qualities and benefits that it should not have to compete on price for the consumer's discretionary income.

This situation has been going on for several years, however, never has it been as critical as it is today. The entire structure of the textile industry has changed radically over recent times, particularly in apparel, where demand for cheaper products on the high street has forced manufacturing to lower-cost supply bases and inevitably be seduced into using lower-cost, poorer quality fibres. The consumer no longer knows the benefit of buying wool products and therefore

doesn't demand them from the retailer!

As we all know (and our consumers should know too), Wool is nature's miracle fibre - the most versatile natural fibre in the world. Comfortable to wear - the warmest, yet the coolest, adaptable to the wearer's ambient temperature; rich and versatile in design and colour; technically advanced; ecological and bio-degradable; naturally flame retardant and protective; easy to care for.... The list is endless... And the best part of the story - synthetic fibres are always trying to imitate the qualities that are naturally present in wool!

However, as a natural fibre, wool has a long textile pipeline. Facing a decline in market share, this inevitably has over the past few years, put pressure on the entire demand chain, with many companies and their skills disappearing completely. 'The world has started to forget about wool. It is time for radical action, the wool industry must unite in their efforts' says Jo Dawson, the Chairman of the International Wool Textile Organisation (IWTO) Apparel Taskforce which has called for immediate action from all players in the wool apparel industry, to improve the demand for wool.

Michael Lempriere, newly elected president of the IWTO says 'Wool is a high value fibre that should be able to demand higher margins at every stage of the pipeline. It is imperative to introduce wool into new markets; to invest in education, research and innovation combined with demand driven marketing and retail co-operation; and to market the benefits and features of wool by using a consistent and compelling 'wool story'.'

It is clear that the wool industry needs to talk to its consumers and let them know the benefits of wearing and using wool. To this end, the IWTO is mobilising forces within the industry to confirm agreement that promotion is necessary. The views from the industry have so far been unanimous - we must promote wool if we want to survive! The promotion of wool comes at a cost however, and support from all areas of the industry is required to start the ball rolling by launching a marketing test. This "test and learn" process will prove the efficacy of the marketing and confirm to any doubting members of the industry that demand can only be improved by increasing promotional efforts. The cost of this marketing spend can only be seen as an

investment in the future survival of the industry. No investment will mean failure of the industry and the exit by many industry players in search of better business opportunities elsewhere. The call for action has been well received so far and progress has been made. This needs to be consolidated upon, and, following successful implementation of the marketing test, the industry needs to act further. This means the development of a global co-ordinated marketing campaign, which will need to include the creation of one global wool marketing company to co-ordinate the marketing and research and development efforts of the wool industry worldwide. The industry needs to help itself and needs to act now.

For more information, please contact Henrik Kuffner: media@iwto.org

IWTO is the international body representing the interests of the world's wool textile trade and industry. Our multi-national membership includes woolgrowers, traders, primary processors, spinners, weavers, and garment manufacturers, together with retailers and other companies involved in wool related businesses.

For more information or to order, please contact Mrs. Lydie Lamboley:
media@iwto.org

IWTO - International Wool Textile Organisation

Rue de l'Industrie 4 - 1000 Brussels - BELGIUM

Phone : +32 2 505 40 10 - Fax : +32 2 503 47 85

www.iwto.org