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Recent developments and new challenges in commodity markets, and policy options for commodity-based inclusive growth and sustainable development

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Post MDG Agenda for Commodity Development by

**Masuma Farooki,
Resources Policy Analyst
InterriaRMG**

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Post MDG Agenda for Commodity Development

**Masuma Farooki,
Resources Policy Analyst**

Masuma.Farooki@rmg.se



The major objectives of the **Integrated Program for Commodities** are as follows:

- **Stable price levels** and equitable distribution of gains.
- To encourage **export earnings**
- To **improve market access** for developing countries
- To promote **diversification**, both in food and other primary products
- Improved competitiveness, particularly through **research and development**
- Improvement in the **market structures** of raw materials important to developing countries.
- Improvements in **marketing, distribution and transport systems** for commodities.

- The objectives of the IPC resolution of 1976 still hold valid, the factors that define the achievement of these objectives have changed.
- Whereas the IPC was applicable at a time of falling commodity prices and a demand glut, the current situation supports increasing (higher plateau) commodity prices and supply expansion constraints.
- The importance of focusing on commodities rather than countries has increased further.

Creating Space - Creating Opportunities

- Entrepreneurial, risk-heavy activities
- Upgrading production skills
- Upgrading labour skills
- Catering to new markets
- Understanding and accessing new markets
- Understanding and accessing new market structures
- Upgrading policy development capacity
- Diversification of the economy
- Information and knowledge access

Utilising Space -Creating Capacity to Cope

- Short term price changes
- Long term price changes
- External physical market shocks (food security, climate change)
- Internal physical market shocks (political upheaval, natural disasters)
- Threat of exclusion from the global trade and growth related to their economic profile as commodity producers with little diversification

Defending Space - Resilience From

- External shocks (with a focus on food security)
- Internal shocks (political upheavals and natural disasters)
- Short term price changes
- Long term price changes
- Threat of exclusion as commodity producers from global production chains