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Comments

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UN TRADE FORUM

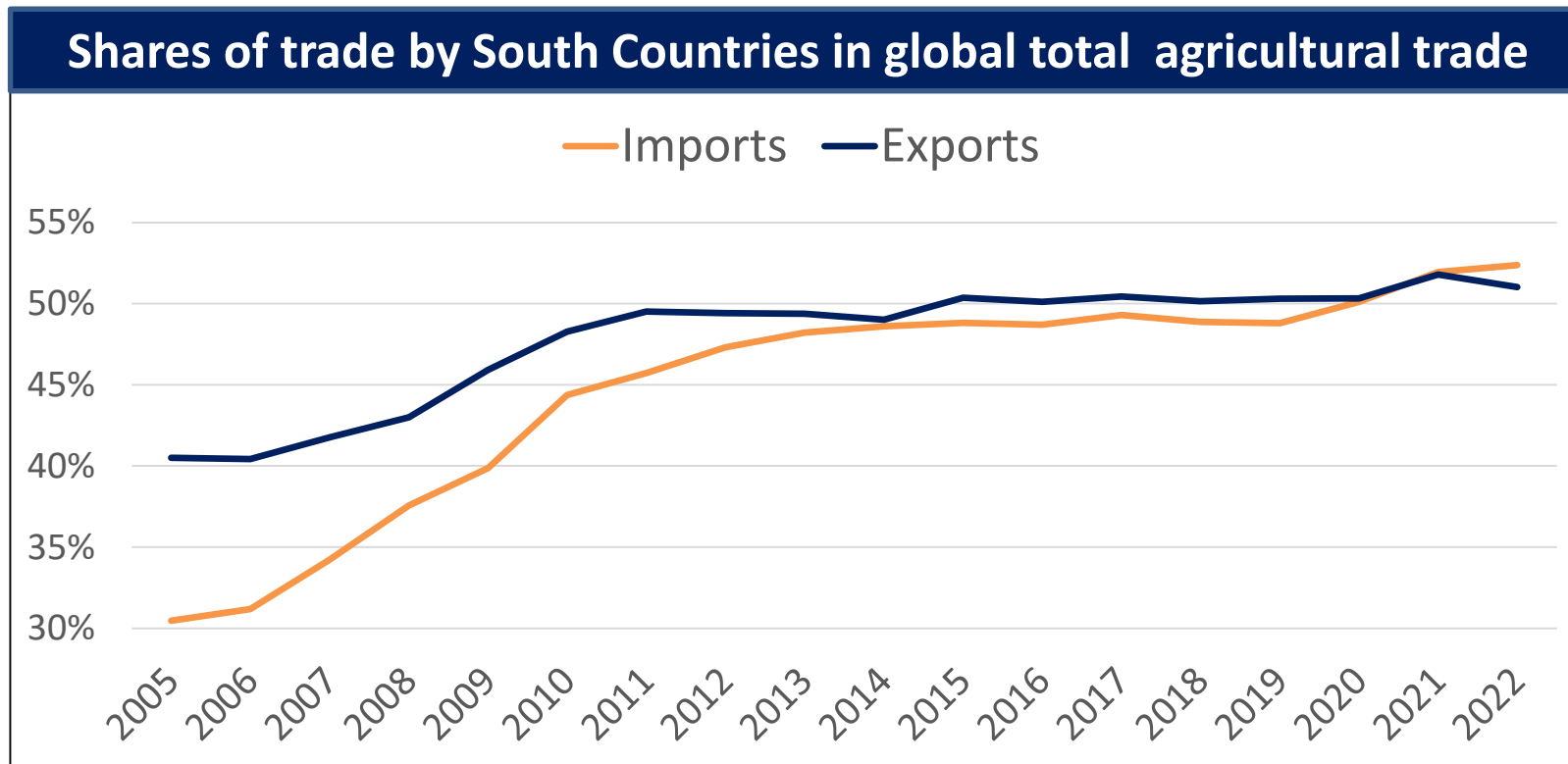
8-9 May 2023

'The state of play of South-South trade and cooperation, and pathways for further improvements'

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TAKING STOCK: THE IMPORTANCE OF THE SOUTH COUNTRIES IN GLOBAL AGRIFOOD MARKETS AND TRADE HAS BEEN INCREASING OVER THE PAST TWO DECADES

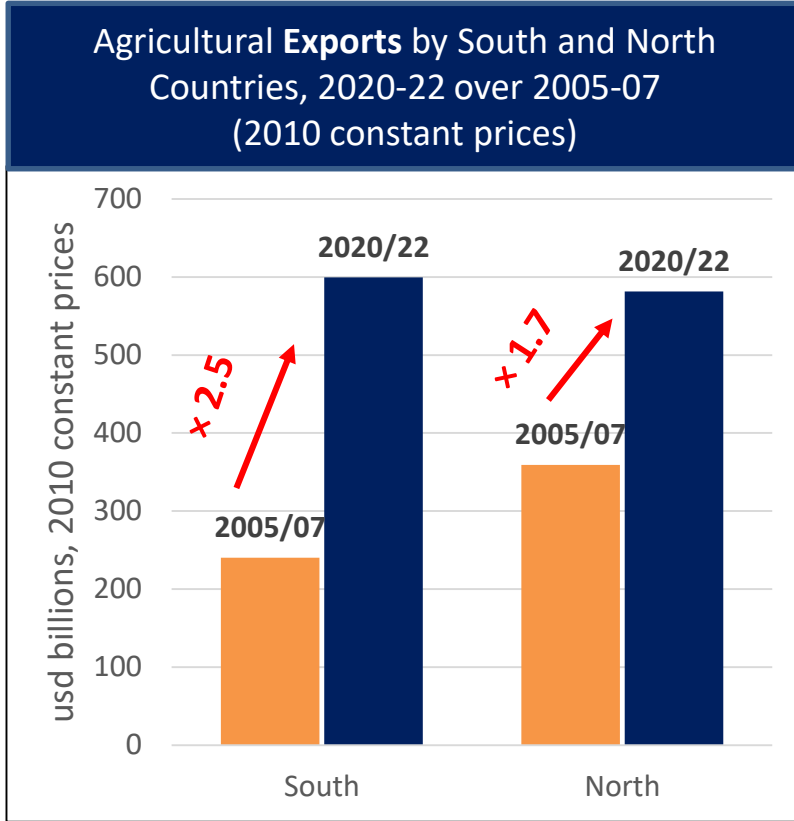
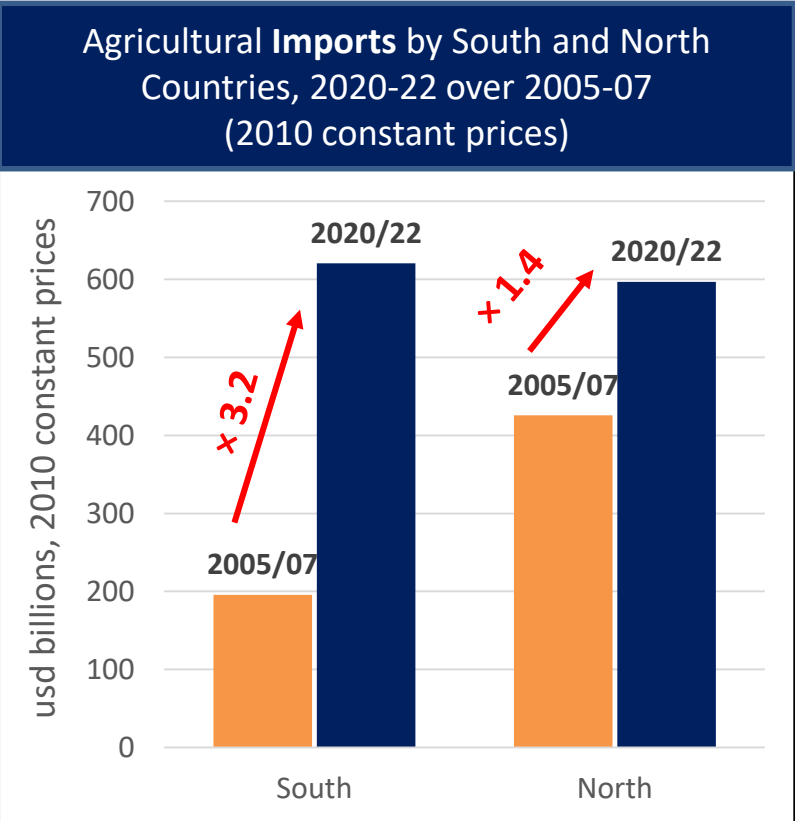


On average, in 2020-2022, South countries accounted for **more than 50 percent** of both global agricultural imports and exports.

Source: FAO's calculation based on Trade Data Monitor (TDM) data



TAKING STOCK: THE IMPORTANCE OF THE SOUTH COUNTRIES IN GLOBAL AGRIFOOD MARKETS AND TRADE HAS BEEN INCREASING OVER THE PAST TWO DECADES (CONT'D.)

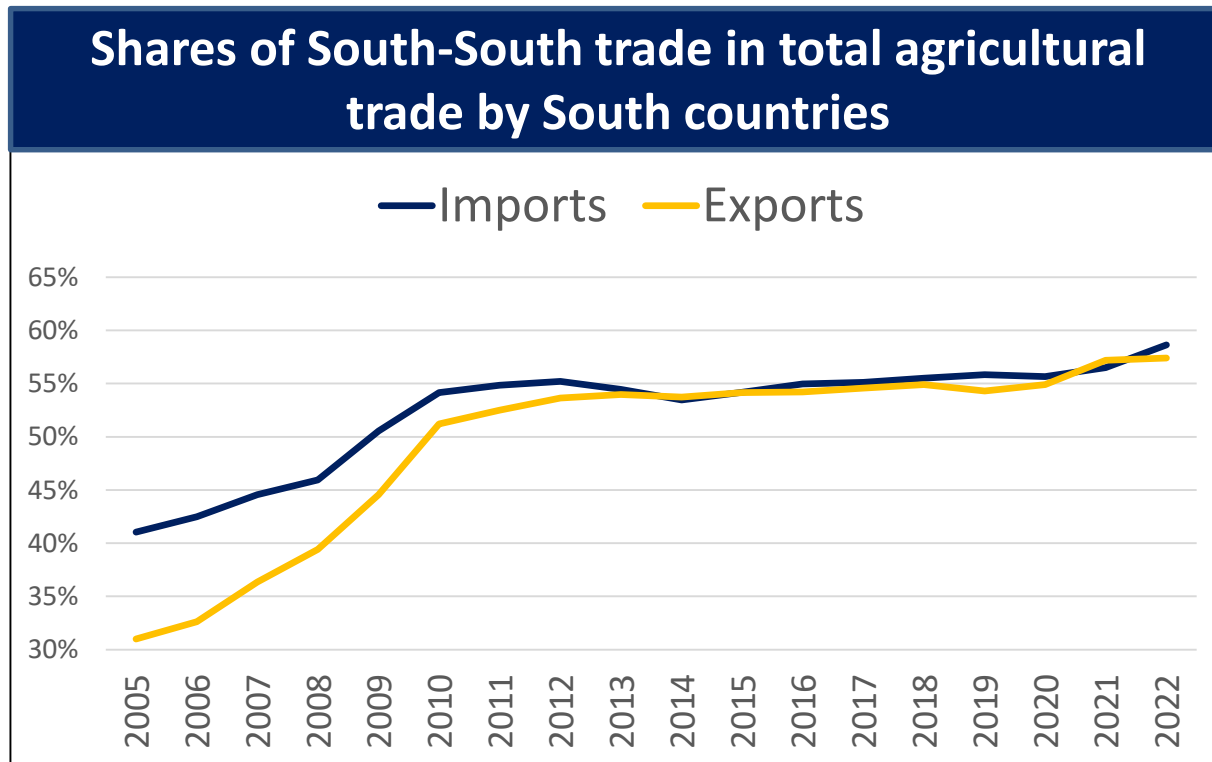


Agricultural exports and imports of South countries increased much stronger over the last 15 years than those of the North countries.

Source: FAO's calculation based on Trade Data Monitor (TDM) data



SOUTH-SOUTH TRADE WAS A KEY DRIVER OF THE INCREASED PARTICIPATION OF SOUTH COUNTRIES IN GLOBAL TRADE OVERALL



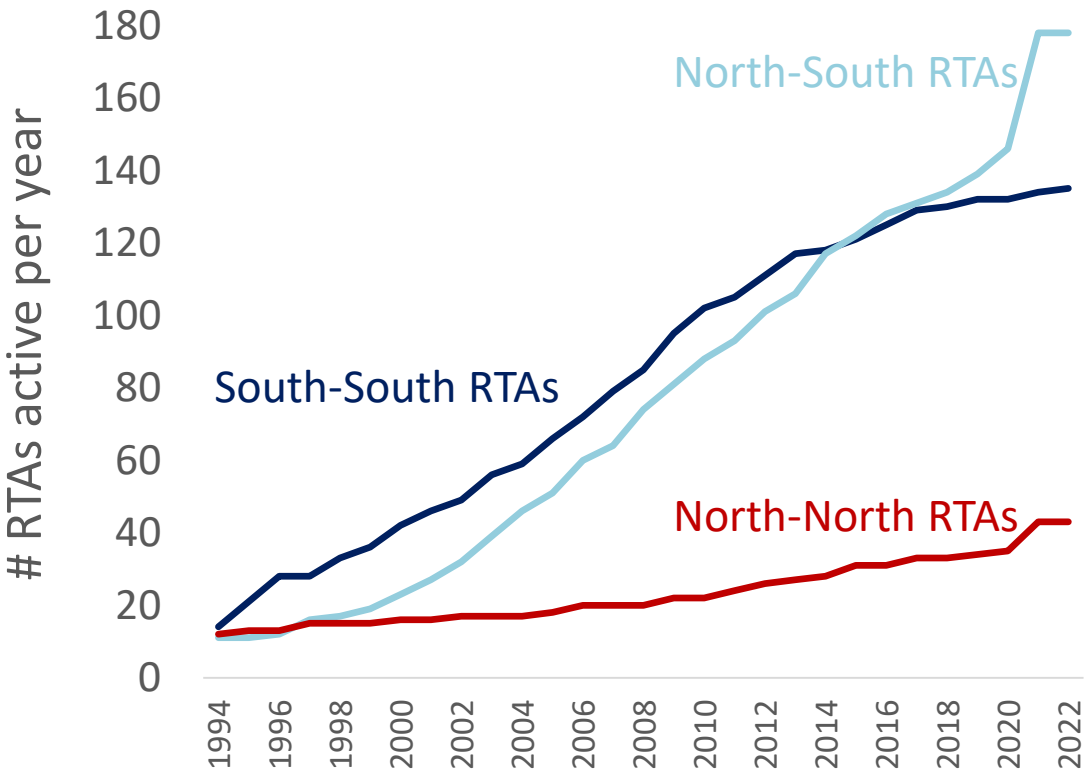
Source: FAO's calculation based on Trade Data Monitor (TDM) data

In 2020-22 close to 60% of total agricultural trade by South countries was with other South countries.

This marks a steep increase relative to 2005-07.



PARTICIPATION IN THE MULTILATERAL TRADING SYSTEM AND THE CONCLUSION OF RTAs HAVE BEEN CRITICAL FOR THIS SUCCESS



Source: World Trade Organization (2023) - RTA Database.

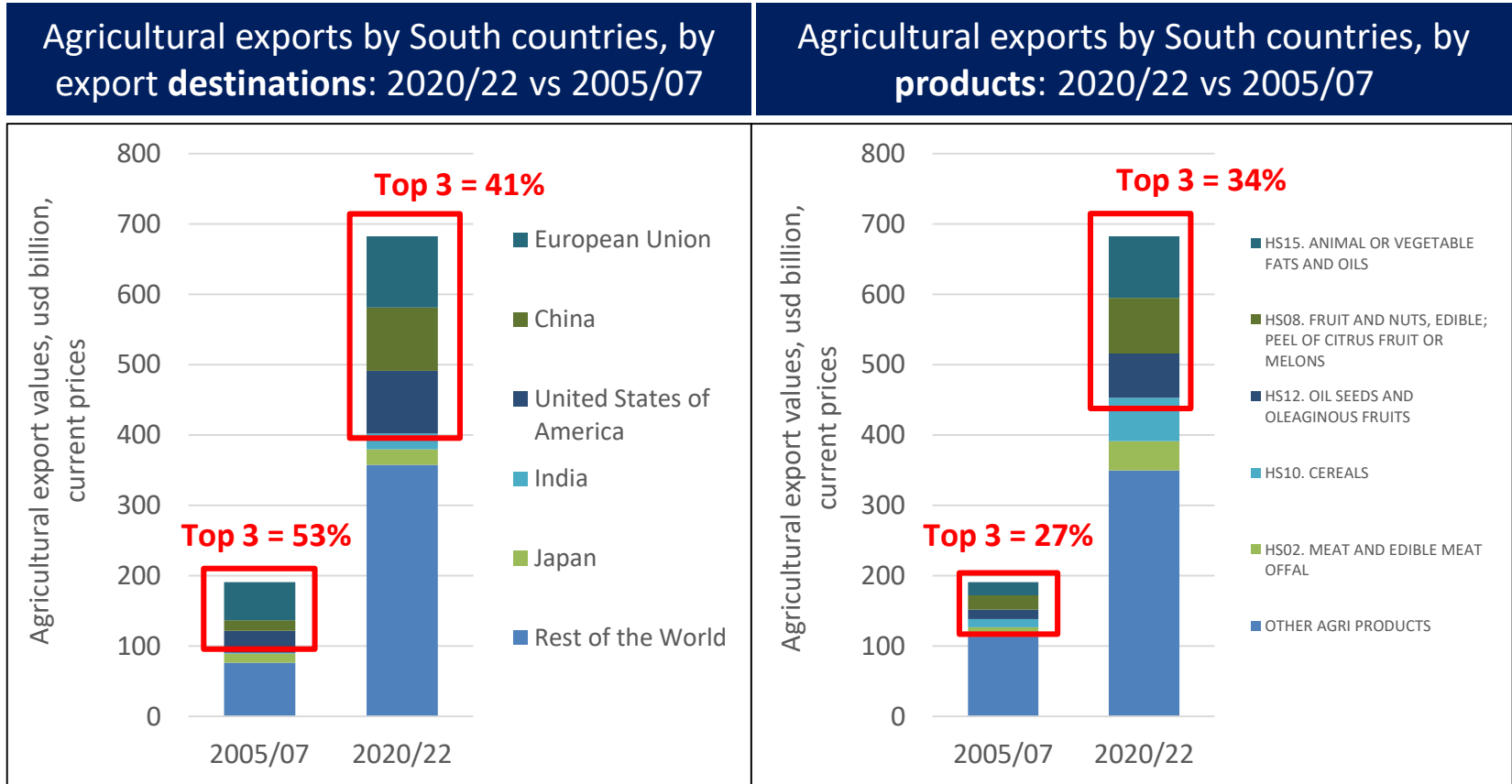
The role of the WTO in agrifood trade

- Ensures transparency, stability and openness in the multilateral trading system
- The *Agreement on Agriculture* is the only legally binding multilateral treaty regulating agricultural trade
- 75 South Countries were WTO founding members and an additional 45 South countries joined at a later stage.

Simultaneously, the number of **Regional Trade Agreements** between South countries has increased considerably.

CHALLENGES AND CONSTRAINTS TO INCREASED SOUTH-SOUTH TRADE

While dependency on specific export destinations has decreased, dependency on specific export products has grown.



South countries rely on a narrow range of exported agricultural products

To reduce vulnerability to market and policy shocks it is essential to **diversify trading partners and products**

Need to address **supply-side constraints**



CHALLENGES AND CONSTRAINTS TO INCREASED SOUTH-SOUTH TRADE (CONT'D.)

A range of constrains limit export diversification of South countries

POOR INFRASTRUCTURE

Limits product volumes and variety: General infrastructure gaps and lack of product specific facilities (e.g., cooling infrastructure)

LACK OF ACCESS TO FINANCE

Limits productive investment and entrepreneurship

LOW ADOPTION OF PRODUCTIVE TECHNOLOGIES

Limits agricultural productivity. Agricultural productivity has remained low in many least developed countries.

NTMs AND LACK OF HARMONIZED STANDARDS

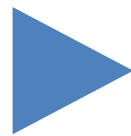
Limits access to markets.

Supply-side constrains also increase reliance on imports

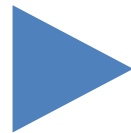


THE POTENTIAL OF SOUTH-SOUTH COOPERATION SCHEMES

South-South cooperation schemes, including the GSTP, are about more than just trade.



Exchange of innovation and good practices



Expanding market opportunities (exchange of tariff concessions)



Technology transfer



HOW DOES FAO SUPPORT SOUTH-SOUTH COOPERATION?

- FAO has a dedicated division to [South-South and Triangular Cooperation](#) to support South-South Cooperation initiatives by:
 - Facilitating dialogue between governments, institutions, civil society and the private sector to reach consensus and coordinate policies, strategies and programmes for South-South Cooperation;
 - Providing a framework for cooperation offering technical oversight and ensuring international standards are adhered to or adopted in the formulation, implementation, monitoring and impact evaluation of all programmes/projects;
 - Offering technical oversight and ensuring international standards are adhered to or adopted in the formulation, implementation, monitoring and impact evaluation of all programmes/projects;
 - Mobilizing resources for and raising the visibility of South-South and Triangular Cooperation.
- FAO also supports South-South cooperation through the provision of timely and accurate data and information, analysis and studies such as the recent report on [Agricultural trade in the Global South – An overview of trends in performance, vulnerabilities, and policy frameworks](#), and policy advice.



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THANK YOU
