

United Nations Conference on Trade and Development

13th Multi-Year Expert Meeting on Commodities and Development

10-12 October 2022, Geneva

Opening statement (10 October 2022)

By

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Videorecording by Rebeca Grynsan

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Your Excellencies, Dear Delegates, Dear Friends,

Welcome to the 13th session of the Multi-year Meeting on Commodities and Development.

This meeting comes at very important time for the world, in the context of a major cost-of-living crisis where commodity markets are in the centre of the discussion.

This week, we will discuss a number of issues, including key developments in commodity markets over the last year, and the economic and export diversification in developing countries.

Lastly, on Commodity Day, the third day of this week, two commodities – bamboo and phosphate – will take the centre stage of our analysis and discussions.

As you know, commodity prices have fluctuated wildly in the last year and a half.

The UNCTAD free market commodity price index increased in 2021 by 43 per cent for all commodity groups – with food rising by 16 per cent, and fuels rising by almost 80 per cent.

This increase was fuelled by the economic recovery following the initial waves of the COVID-19 pandemic, as well as supply-related bottlenecks and disruptions.

Then we have had the terrible war in Ukraine, which has exacerbated volatility in commodity markets, especially for food, energy, and fertilizers.

This year some commodities have broken all-time high price records.

Natural gas in Europe is currently about twenty times the average of the last decade.

The FAO Food Price Index reached its highest ever level in April this year, though it has declined every consecutive month since then due to the Black Sea grain initiative and the agreement signed in Istanbul between the UN and the Russian Federation.

And fertilizer prices are about twice as high the average of the previous decade, a terrible situation that may price out many small-holder farmers, and decrease harvest sizes at the worst possible moment, as the number of the food insecure has tripled in three years, to over 350 million people around the world today, up from 135 million in 2019.

High energy prices have, in turn, increased input costs for other commodities, which along with adverse weather conditions and logistical bottlenecks, have increased inflation rates at a global scale, a situation which is hitting net-fuel and net-food importing countries especially hard.

However, these price trends also have significant implications for commodity dependent countries.

A rise in commodity prices may contribute not without challenges on domestic inflation to improvements in the export and fiscal revenues of exporting countries, facilitating budgeting and development planning.

This is therefore a great opportunity to foster economic diversification – both in commodity dependent countries seeking to invest their exports bonanza, as well as in net-commodity importing countries seeking to build more resilient economies and food systems.

Experience shows that most countries that have successfully diversified their economies share some key success factors.

In particular, market access, competitive input markets, quality infrastructure, and – crucially – access to available and affordable energy.

Ladies and gentlemen,

The third day of this meeting will be devoted to two important commodities, namely bamboo and phosphates.

In Asia, South America and Africa, bamboo has been, for centuries, an integral part of the lives of inhabitants who have used it for food, cottage industries, and for construction.

Over the last few decades, the use of bamboo has expanded into industries such as textiles, paper, and modern construction, spurred in part by substitution effects of wood-based materials. Bamboo can play an important role in the supply of affordable housing and shelter because it is generally cheaper than conventional building materials, easy and fast to erect, and one of the most environmentally friendly construction materials.

The meeting will discuss in some detail the potential of bamboo as an important commodity in many developing countries where bamboo farming often represents the leading, or even the only, cash-income-generating prospect in rural areas.

Another commodity of interest to be discussed is phosphate.

Phosphorus fertilizers are particularly important for increasing or maintaining high agricultural productivity. Phosphorus is indeed an essential chemical element for the growth of plants, contributing to the development of roots, their maturation, and the development of seeds.

At a time when the world is experiencing a worrying fertilizer crunch, this Multi-year Expert Meeting will provide an opportunity to share views on how poorer countries could navigate the current food crisis through a more efficient use of phosphate.

Doing this successfully will be crucial to avoid that the current crisis of affordability we are now seeing, transform into a crisis of availability next year.

Not enough fertilizers mean not enough harvests, which means not enough food for the world.

The stakes, dear experts, could therefore not be higher. I wish you all a very engaging, purposeful and – above all – impactful week ahead.

Thank you.