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

by

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Recent trends in commodity markets: general overview

2013: commodity prices eased

Figure 1: Price indices of Non-oil Commodities and Energy, January 2000 - February 2014

Source: data from UNCTADStat (Non-oil Commodities), and IMF (energy)
Notes: Non-oil Commodities (2000=100), Energy (2005=100)
Agricultural commodity markets

Figure 2: Price Indices of selected food and agricultural commodity groups, January 2000 - February 2014 (2000=100)

Source: UNCTAD, UNCTADStat
Minerals, ores and metals markets

Figure 3 Price Indices of selected metals, January 2000 - February 2014 (2000=100)

Source: UNCTAD, UNCTADStat
Energy commodities

Figure 4: Price indices of energy commodities, crude oil, natural gas and coal, January 2000 - December 2013 (2005=100)

Source: International Monetary Fund, International Financial Statistics
Note: IMF Energy Index (2005 = 100) includes Crude oil (petroleum), Natural Gas, and Coal Price Indices
Renewable energy

- **Increasing importance of renewable energy:**
  - Contribution to 31 per cent of the growth in global power generation in 2012.
  - Yet, small share in global power generation: 4.7 per cent in 2012

- **Hydro-Electricity**
  - 4.3 per cent growth in 2012
  - 16.3 per cent of global power generation in 2012

- **Wind power**
  - 18 per cent growth in 2012

- **Solar power**
  - 58 per cent growth in 2012
Key messages

- Relative easing in commodity markets over the past months;
- Commodity prices remain elevated compared to their long term trends, particularly prior to 2003;
- Prices are likely to remain so in short and medium run;
- Increasing importance of renewable energy, yet its share remains low in global power generation;
Way forward: some key policy options

As commodity prices remain elevated,

- *For commodity importing vulnerable countries:* enhancing food security;

- *For commodity exporting countries:* local value retention for a broad-based sustainable development

...*And at global level:* promoting sustainable energy development.
THANK YOU