



## MYEM on commodities and Development – 16<sup>th</sup> Session

9 December 2025

*Opening statement by Ms. Luz Maria de la Mora, Director of DITC, UNCTAD*

Excellencies,

Ambassador Achsanul,

Minister-Counsellor Braga,

Distinguished delegates, and experts,

Ladies and gentlemen, dear colleagues,

It is a pleasure to welcome you to the 16th session of the Multiyear Expert Group Meeting on Commodities and Development. I am delivering these opening remarks in the name of Deputy Secretary General Pedro Manuel Moreno, who cannot be with us today. This year's discussions focus on strategic diversification. As highlighted in the Geneva Consensus, two-thirds of developing countries remain commodity-dependent, which can hinder structural transformation, increases vulnerability to external shocks, and can affect sustainable development .

Over the next two days, you will examine major trends in commodity markets and consider policy options to foster value addition and diversification away from commodity dependence. As mandated by the Geneva Consensus, your recommendations will be conveyed by the Chair to the Trade and Development Commission, with a view to incorporating them into an UNCTAD resolution of the Trade and Development Board.

Commodity markets have evolved unevenly over the past 12 months. Extractive commodities are undergoing significant shifts that are reshaping development prospects. The UNCTAD Fuels Index has fallen steadily since January 2025, driven by declining oil, gas and coal prices following the reversal of 2023 OPEC+ output cuts. At the

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same time, precious metals have reached record highs, amplifying volatility in gold markets and heightened risks of illegal mining and environmental degradation.

Critical minerals present another complex picture. Prices for lithium, cobalt and nickel—after peaking in 2022—remained well below pre-2022 levels in 2025. Oversupply in nickel, strengthened stock regulation for lithium, and export controls affecting cobalt have all contributed to moderating prices. Although lower prices support the deployment of clean technologies, they also discourage investment, raising concerns about future supply security.

Agricultural markets have also shifted. Food commodity prices decreased during the first ten months of 2025, largely due to sharp declines in rice, wheat and maize prices as global supplies improved. Beverage prices eased as well, although coffee remains near the record highs reached earlier this year after weather-related production shortfalls, in a context of high price volatility. Fertilizer international prices rose by 19 per cent in the first ten months of 2025, led by nitrogen and phosphate fertilisers, squeezing farmers' earnings amid falling grain prices.

While the reduction in the international prices of food staples is a positive development for food-importing developing countries, many developing countries, including Net Food Importing Developing Countries and LDCs, continue to be very vulnerable to price volatility and negative supply shocks. Trade tensions are also reshaping commodity flows, as seen in the soybean market.

Beyond market volatility, global food markets faces multiple long-term challenges. Climate change is disrupting agricultural productivity through extreme weather, shifting growing seasons, water stress and the interaction with pests and diseases. Food supply chains remain highly vulnerable to logistical shocks, from pandemics to disruptions of transportation networks, including maritime ones. Conflicts and geopolitical tensions further fragment trade flows, fueling uncertainty in global markets. Ensuring the economic, environmental and social sustainability of agricultural value chains continues to be a challenge. Together, these interconnected risks demand coordinated strategies in an increasingly complex and fragile global system.

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Food insecurity continues to be a major concern, particularly in least developed countries. Improving food markets requires addressing supply, distribution and value addition holistically. Agriculture remains central for employment and growth in many developing economies, and expanding value addition and trade is essential for both sustainable development and global food security. At the same time, agriculture must become more sustainable as climate risks and policy volatility intensify. Boosting economic and environmental sustainability through inclusive traceability is essential for access to international markets, as shown by UNCTAD's ongoing "Sustainable coffee export strategies and traceability in Asia" project. Stronger global cooperation and transparency is needed to safeguard food security and protect smallholder livelihoods.

Concentration in critical energy transition minerals (CETMs) continues to pose risks. Over 90 per cent of global cobalt exports originate from a single country. More than two-thirds of global processing of lithium, graphite and rare earths occurs in one economy. Meanwhile, the top five global companies control over half of the world's lithium and cobalt production, further magnifying supply-chain vulnerability.

Nonetheless, several countries demonstrate what strong policy intervention can achieve. Indonesia's nickel industrialization strategy increased value addition from US\$1.1 billion in 2019 to US\$20.8 billion in 2021. The Democratic Republic of the Congo has tripled the unit value of cobalt through domestic processing, raising processed-cobalt revenues to US\$6 billion. UNCTAD is supporting similar efforts through its Rapid Assessment for Diversification project, which identifies concrete product opportunities in Namibia, Zambia and Madagascar and maps the capabilities, infrastructure and policy tools required. This initiative provides practical roadmaps to transition from commodity dependence to diversified industrial growth.

Strategic diversification requires expanding downstream processing, strengthening backward linkages and building lateral industries that broaden the productive base. This year's Multi-Year Expert Meeting places value addition and diversification at the core of resilience, competitiveness and long-term development.

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Our shared task is clear: to shield developing countries from price volatility through structural transformation in commodities. I wish you productive discussions and reaffirm that UNCTAD stands ready to support you with evidence, tools and guidance to seize this moment.

I thank you for your attention.