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EU statement (check against delivery)

Agenda Item 2: High-level segment – The impact of Hormuz Disruptions on Developing Countries: Energy, Food and Development

Dear President, distinguished speakers and delegates,

The EU and its Member States thanks UNCTAD for organizing this TDB opening High-Level Segment, and the speakers for engaging us in today's debate. The topic is timely: continuous disruption of key maritime routes shows how vulnerable critical chokepoints are to geopolitical tensions, and how shocks have ripple effects across supply chains and commodity markets well beyond the affected region. It also underscores the importance of full respect for international law, particularly the international law of the sea, including UNCLOS.

Iran's actions impeding lawful transit passage have left the Strait of Hormuz effectively closed to normal commercial traffic for an extended period, with transit volumes at a fraction of pre-crisis levels and freight and insurance costs still elevated. Disruptions have also persisted in Bab el-Mandeb, and we are concerned by the Houthi escalation along the Red Sea coast. Furthermore, the intensification of Russia's attacks on the Black Sea is increasing pressure on global food trade. These ramifications are being closely monitored by many international organisations including UN agencies, IMF and the World Bank and we welcome UNCTAD's work in this area.

We particularly welcome UNCTAD's rapid assessments, which have quantified the scale of this shock: daily transits through the Strait collapsed by roughly 95% within weeks of the escalation, and UNCTAD's projects global merchandise trade growth slowing sharply in 2026, alongside weaker world GDP growth, weakening currencies

and rising external borrowing costs for developing economies. These findings illustrate why UNCTAD's independent, data-driven monitoring role matters, and we encourage UNCTAD to continue this work.

The EU is highly concerned about the impact of Middle East conflict beyond security. Oil prices remain elevated, refined petroleum products are particularly exposed and prolonged disruption can translate quickly in raised transport, production and input costs. Food production risks remain real, compounded by lower fertiliser use and the effects of El Niño. Even once shipping through Hormuz normalises, freight contracts, insurance costs, supply chains and food systems will take time to adjust and elevated food and energy costs will aggravate global food insecurity, with developing countries bearing the heaviest impact. Africa is particularly vulnerable given its reliance on food and energy imports and limited capacity to absorb price shocks. The EU therefore considers continued monitoring of, and targeted support to these economies essential.

Iranian and Houthi attacks on commercial vessels in the Hormuz and Bab el Mandab straits, alongside the sustained increase in Russian attacks on civilian shipping, seafarers, ports and maritime safety infrastructure in the Black Sea, amount to a triple shock across three choke points. The Ukrainian ports of Greater Odesa in particular handle approximately 90% of Ukraine's agricultural exports, supplying food to more than 55 countries.

These attacks are not only against individual vessels or countries: they target the international legal order, trade, supply chains, energy and food security, and ultimately the countries that depend on delivery of these goods. Continued escalation undermines the development objectives that bring us to this forum.

We believe that diplomacy and multilateralism can still deliver. Coordination within the international frameworks such as in the G7 and G20 can be stepped up and there is space for greater engagement by the UN, the UN Task Force and UNCTAD to develop pragmatic approaches and explore mitigation mechanisms, while ensuring full freedom of navigation and safe transit in accordance with international law.

Countries are not sitting idle: some have drawn on strategic reserves or eased import barriers, while others have introduced export restrictions or price controls. Uncoordinated trade measures risk aggravating volatility and food insecurity. The international community must collectively maintain open, predictable and rules-based trade, avoid unjustified export restrictions and trade-distorting measures on food and fertiliser markets, and provide targeted support to developing countries. The EU leads on this front, mobilizing EUR 2.1 billion in 2025 for global food security, combining both short-term relief and long-term resilience.

Support should include continuing the analysis of the consequences of the conflict on developing partners' and needed mitigation; deepen dialogue and cooperation on maritime security; offer targeted macro-financial support to protect fiscal space for essential services without exacerbating debt distress and continue diversifying supply chains to reinforce resilience in fertilisers, food and energy security and maritime logistics, notably through a faster energy transition to home-grown energy.

All efforts should strengthen international cooperation and favour multilateral solutions in line with the international law. The EU stands ready to support the identification of diplomatic and humanitarian solutions to respond to the consequences of the conflict.

We look forward to further insights from this panel and the room, and to a constructive, pragmatic debate in support of affected countries.

Thank you