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National Statement Germany

Deputy Permanent Representative Nikola Gillhoff

Agenda Item 2: High Level Segment (The Impact of Hormuz Disruptions on
Developing Countries: Energy, Food and Development)

Dear President, Acting Secretary-General, Excellencies,
distinguished Delegates,

Germany aligns itself with the statement held on behalf of the
European Union and its Member States.

We thank UN Trade and Development for focusing at this High
Level Segment on the recent disruptions in the Strait of Hormuz
and its implications on the global trading system and the impact
on developing countries.

We welcome that UNCTAD has launched the Strait-of-Hormuz-
Dashboard in April 2026. This online tracking tool monitors the
cascading economic and developmental risks triggered by
severe shipping reductions through the Strait of Hormuz due to
Iran's blockade of the Strait and attacks against civilian ships.

The analysis of the dash board demonstrates how fuel price
spikes compound into higher fertilizer costs, elevated food
prices, and inflated transport bills. The data also dramatically
show the severe fiscal pressures on small island developing
states and least-developed countries reliant on imported energy
and fertilizers.

Germany is also affected by the uncertainty that Iran's blockade of the Strait of Hormuz has created. Although there is no acute threat to security of supply, prices for nitrogen fertilizers have risen by approximately 30 per cent and remain at a higher level than 2025, with lasting effects for agricultural production and food prices worldwide.

In addition to higher cost for energy and operations, revenues for agricultural products have decreased. The German food industry expects rising prices for 2027 by 5-10 per cent.

[Guiding Question 1: How can countries protect vulnerable populations from external trade-driven price shocks?]

Effects of external trade driven price shocks are most dramatic for poor and vulnerable households. To protect vulnerable populations, targeted financial support is needed when prices for staple foods or energy reach a critical level. In addition, we must promote the diversification of import sources to reduce dependence on individual, geopolitically unstable bottlenecks.

[Guiding question 2: What role can trade policy play in enhancing food and energy security?]

Engagement in global trade during the last decades has opened the way for economic development in many countries. Today, security aspects are gaining importance in trade patterns.

Germany calls for a trade policy that secures the free flow of goods also in times of crises and scarcity. We therefore thank and support UNCTAD's General Secretary Grynspan's call for a diplomatic initiative to ensuring the safe and free, unrestricted transit passage, without tolls or fees, for merchant vessels in the Strait of Hormuz, while simultaneously protecting the civil infrastructure that forms the backbone of global energy and trade flows.

The development of practical risk-mitigation measures facilitated by the UN system as well as coordinated cooperation with shipping companies, insurers, and energy producers could support the aim of restoring and maintaining confidence in shipping routes, which is indispensable for global trade.

[Guiding question 3: How can international trade cooperation reduce volatility in essential goods markets?]

International trade cooperation in essential goods markets has become more volatile. This trend is concerning. We propose strengthening multilateral monitoring mechanisms that optimize early warning systems for supply chain disruptions. Closer coordination between producing and importing nations - facilitated by UNCTAD – could help avert market panic and ensure more stable price formation.

[Guiding question 4: What mechanisms can strengthen resilience in food systems and agricultural trade?]

To enhance resilience in the long term, we must shift our focus from purely global efficiency to more global robustness. This entails:

- Fostering local and regional production capacities to reduce dependence on long, fragile supply chains.
- Investing in climate-resilient agriculture to increase global yield security.
- Digitizing agricultural trade to streamline logistics processes and identify and bypass bottlenecks in real time.

[Schluss]

The instability in the Strait of Hormuz, and most recently also in the Bab al Mandeb and the southern Red Sea, reminds us of the fragility of our global interconnectedness. We call upon the international community to look beyond short-term interests and work together towards a rules-based, transparent, and resilient trading system that sustains certainty, security and prosperity for all.

Thank you.