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Pathways to economic diversification in commodity-dependent developing countries

By

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The views expressed are those of the author and do not necessarily reflect the views of UNCTAD.

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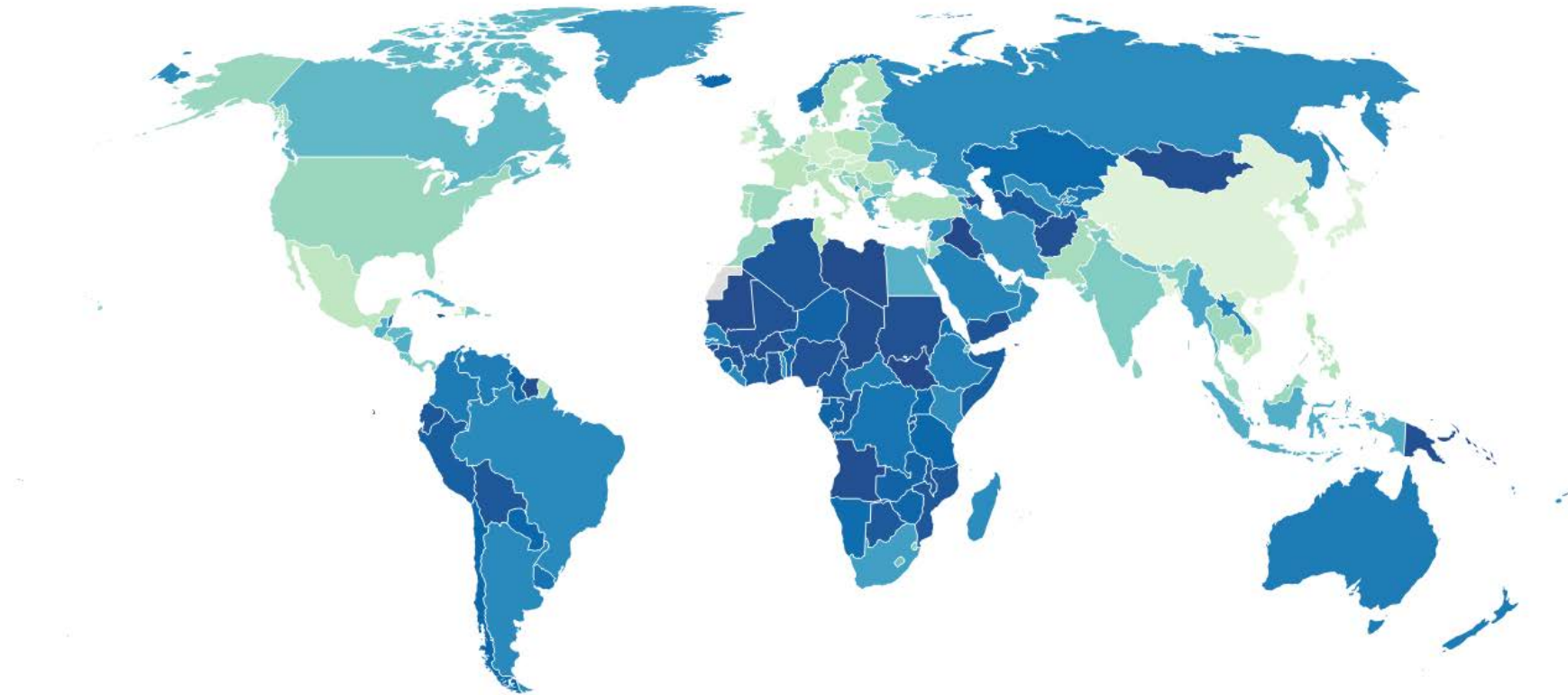
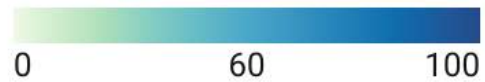


The commodity dependence trap

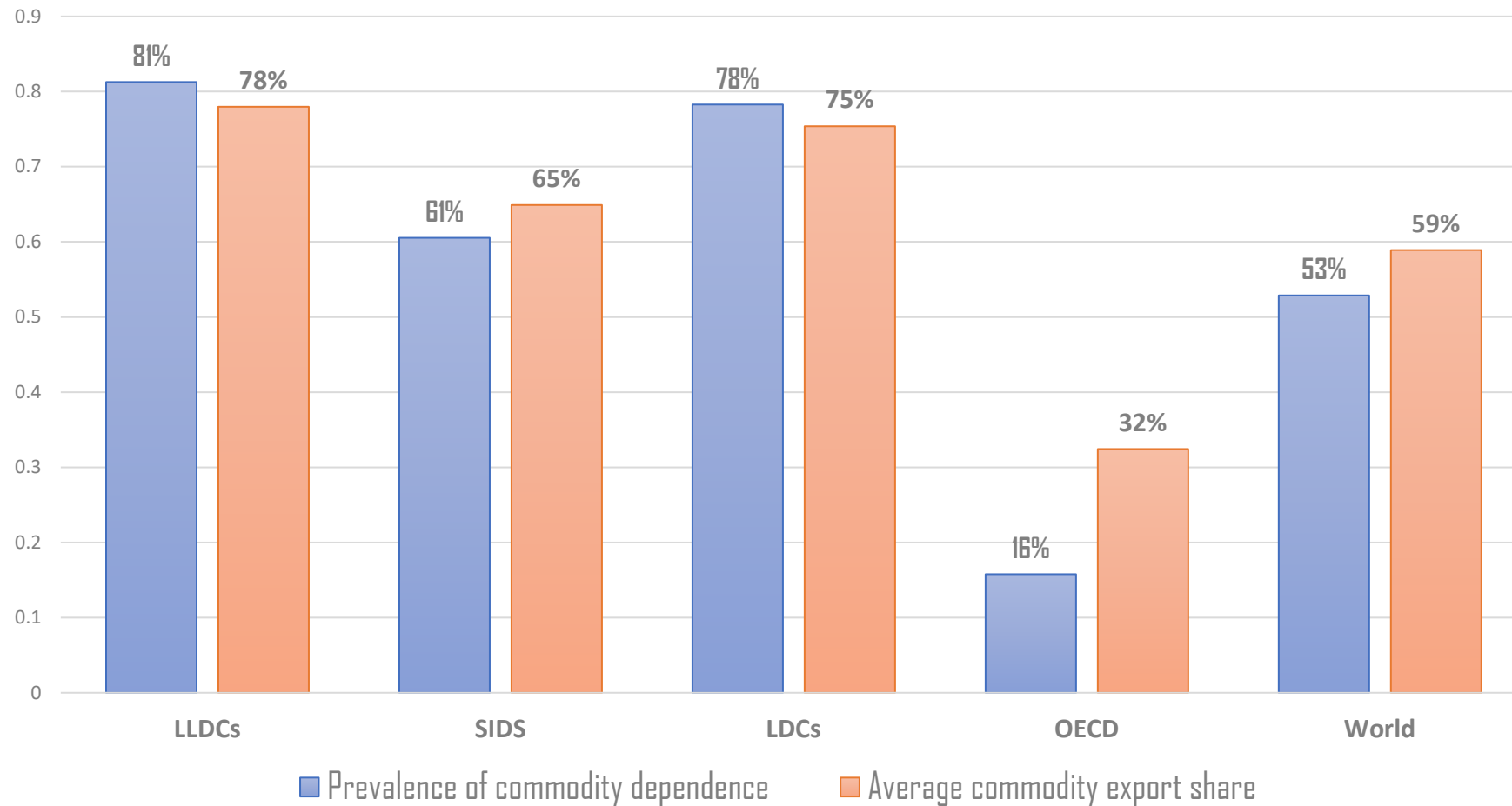
- Commodity dependence remains a major challenge for the achievement of the SDGs.
- Commodity dependence is associated with numerous challenges and negative socio-economic outcomes
 - lower human and social development,
 - slow productivity growth
 - income volatility
 - macroeconomic instability
 - Dutch disease
 - political instability
- Commodity dependent developing countries also face grave impacts from global crises such as climate change, the COVID-19 pandemic and the war in Ukraine.

State of commodity dependence

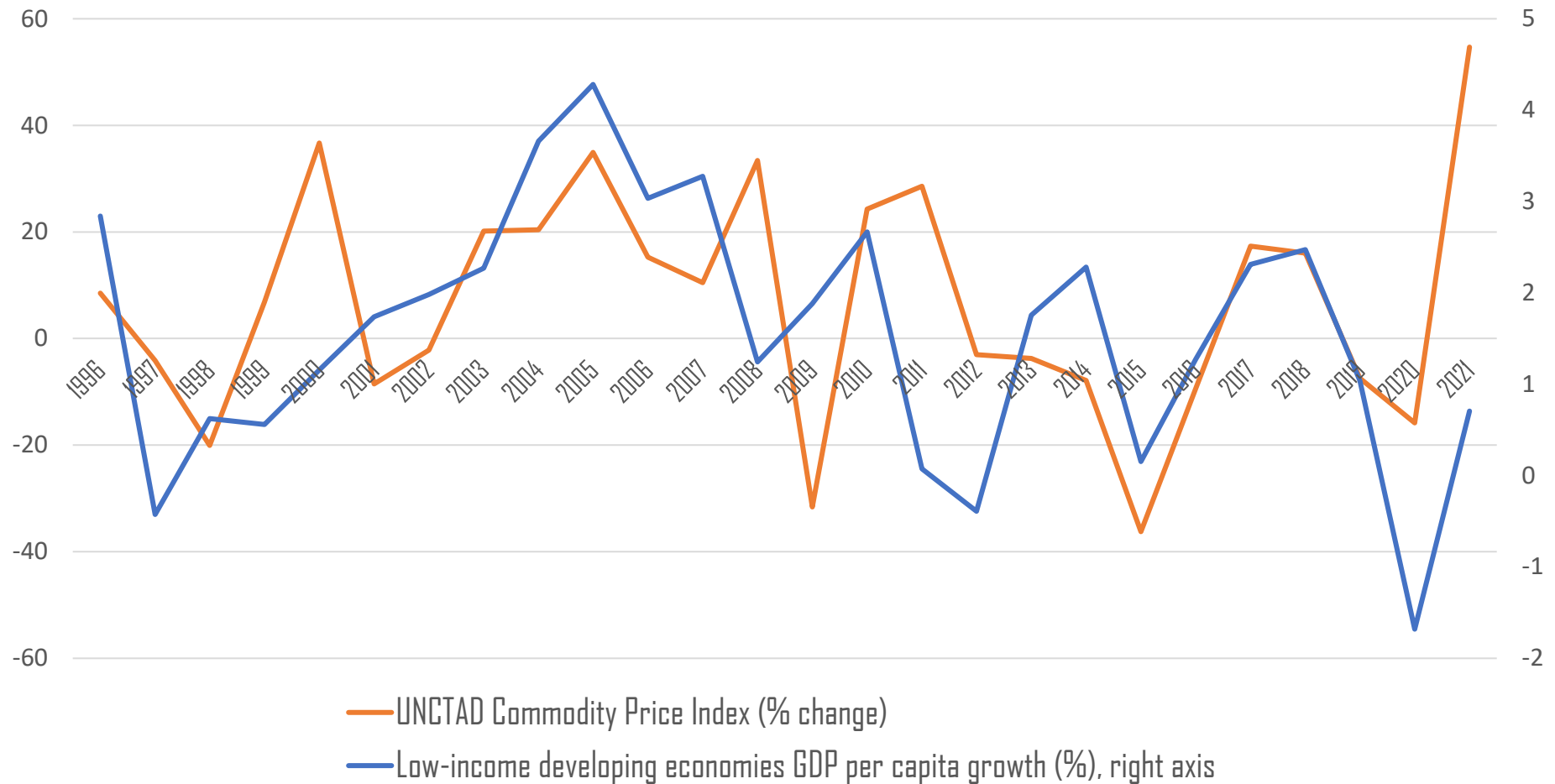
Share of commodities in total merchandise exports (% , 2019-21)



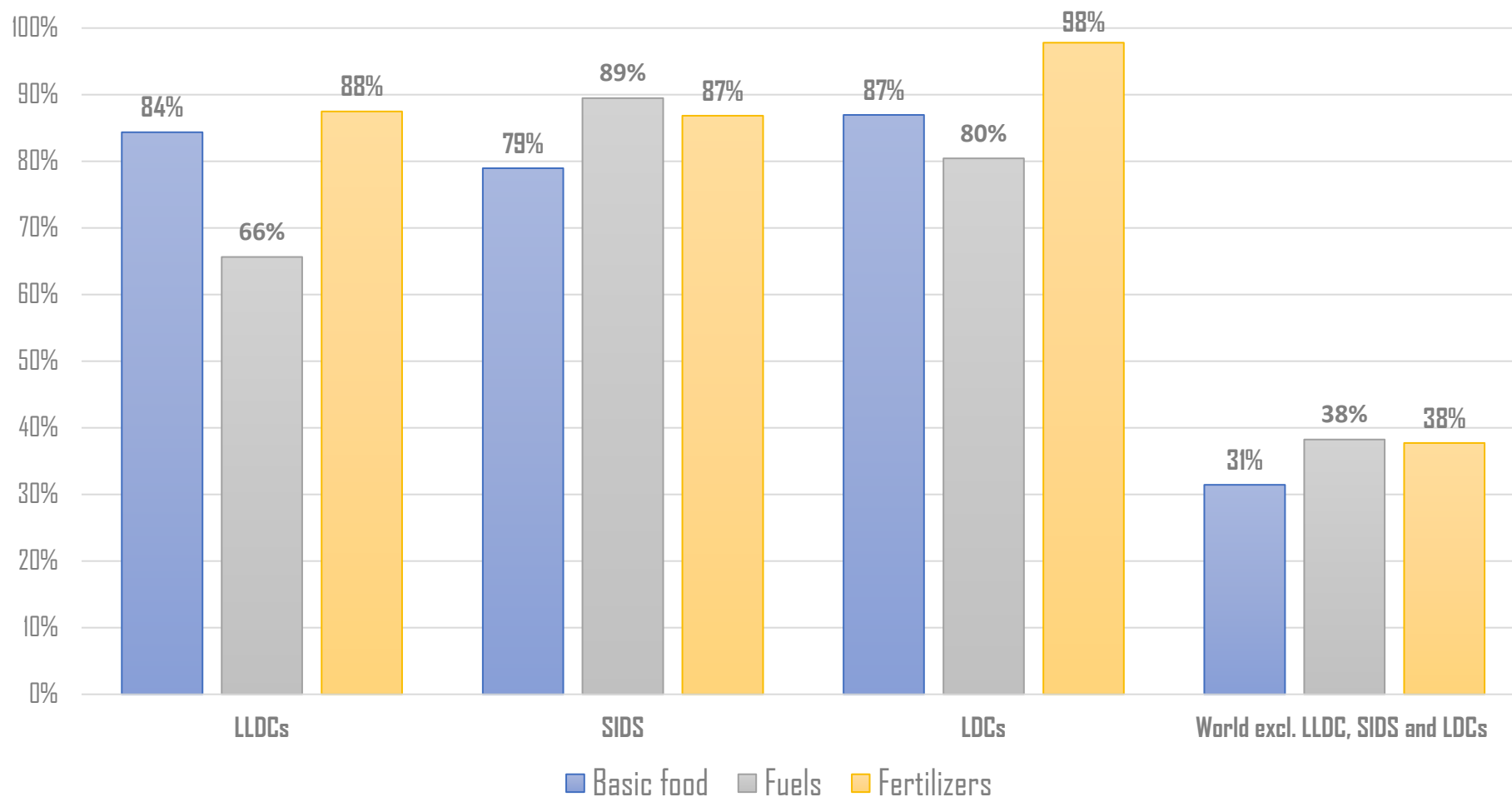
State of commodity dependence (2018-2020)



Commodity prices and GDP per capita



Share of net importers of basic commodities (2018-2020)



This session

- Diversification is the key to resilience for commodity dependent developing countries
 - What are pathways to economic diversification?
 - What are the main challenges for diversification and value upgrading?
 - What can be learned from past experience?

Thank you!

