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Statement of the Asia Pacific Group

Delivered by the Delegation of Bangladesh and Asia-Pacific Group Coordinator

(on 14 October 2024)

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

As of 13 October 2024

**ASIA PACIFIC GROUP
G E N E V A**

**Statement of the Asia Pacific Group
To be Delivered by the Delegation of Bangladesh and Asia-Pacific Group Coordinator
(Geneva) at the Fifteenth Session of Commodities and Development
October- 16 October 2024 | Room XVII, Palais des Nations**

**President of the 15th Session of the Multi-year Expert Meeting on Commodities
and Development,**

**Secretary-General Madame Rebecca Grynspar,
Excellencies,**

Distinguished delegates, Ladies and gentlemen,

1. I have the honour to deliver this statement on behalf of Asia-Pacific Group.
2. At the outset, APG aligns itself with the statement delivered by Cambodia on behalf of G77 & China. The Group would like to extend its warm congratulations to you, Mr. President, for presiding over this important meeting. We are confident that under your able stewardship, in next three days we will have valuable insights from the panel discussions to follow.
3. We also welcome the opening remarks of the Secretary General Madame Grynspar.
4. We also commend the Secretariat for organizing this important forum, and the background documentation for this meeting emphasizing the recent developments, challenges, and opportunities in commodity markets as well as structural transformation through domestic value addition in commodity-producing developing countries.

Mr. President,

5. Most commodities exhibited price volatility, driven primarily by a variety of factors relating to supply and demand associated with geopolitical tensions and conflicts, weather patterns, fears of a global economic slowdown and monetary tightening to combat rising inflation across major economies to name a few. Commodity price volatility can have adverse impacts on both producer and consumer countries, which can seriously undermine commodity-dependent countries' development efforts.

6. Moreover, as data and trend have been showing again and again, commodity price movements have both macroeconomic and microeconomic implications for commodity-dependent developing countries, as well as net commodity-importing developing countries. As the global economy is yet to recover from the cascading crises of Covid-19 pandemic, growth remains weak in many countries along with subdued trade growth, volatile capital flows, widespread fiscal strains and unsustainable debt in many countries, and commodity exporters are particularly hard hit owing to their vulnerability to commodity price volatility.
7. Hence, it is high time we sharpened our focus to address systemic fragilities and imbalances, to reform and strengthen international financial institutions as key to large-scale SDG-related investments and to make further progress towards sustaining and rebalancing global demand. Uncertainty in global commodity markets, reinforces the need to comprehensively deal with the commodity problematique, like the demand for commodities, supply capacities, commodity revenues and investments in commodity-dependent economies, while taking due account of the diversity of each country's individual situation and needs. Furthermore, the nexus between trade, finance, investment in sustainable agriculture and food systems, energy and industrialization needs to be strengthened.
8. We underscore that developing countries, including African countries, the least developed countries, landlocked developing countries and small island developing States, face particular challenges as lower prices for the commodities that they produce threaten the sustainable growth and the debt positions of such countries. Hence we reiterate the importance of economic and export diversification, value addition and industrialization as these can contribute to strengthening resilience to excessive price volatility by allowing the derivation of revenue from various sources;
9. In view of the above, our Group wishes to highlight the following points:

First, We underscore the importance of continuous efforts to diversify economies, as well as to improve the regulation, and the efficiency, responsiveness, functioning and transparency of financial and commodity markets nationally, regionally, and internationally;

Secondly, Two main diversification strategies, one being horizontal diversification to export different types of commodities and other products to different markets, and the other being vertical diversification through value addition, need to be effectively utilized to create sustained jobs and foster an inclusive and sustainable process of industrialization in order to achieve the SDGs;

Thirdly, Our Group wishes to recognize the underlying relationship between technological change, innovation, economic diversification and structural

transformation. In this regard, we note with concern that most commodity-dependent developing countries have made minimal gains in closing technological gaps in the past 25 years and underscore acquiring technological capabilities that foster innovation and technological development in line with the SDGs.

Fourthly, We encourage all stakeholders including Member States, development partners and the private sector to promote economic diversification in commodity-dependent developing countries by means of responsible and sustainable investments in productive capacity, physical capital accumulation, value addition to commodities supply chains, human capacity - building, infrastructure, the improvement of science and technology capabilities and the strengthening of institutions and governance.

Fifthly, We call upon the international community to support the efforts of and foster cooperation with commodity-dependent developing countries to address the factors that create structural barriers to international trade and impede diversification, including tariff and non-tariff barriers, limited access to financial services resulting in scarce resources for investing in the commodity sector and weak infrastructure, and lack of skills in producing and marketing alternative products;

Finally, We underscore the efforts, necessary to make the international financial architecture more responsive to global challenges, and in this regard strongly encourage international financial institutions to assist commodity-dependent countries, in managing the effects of commodity price volatility, in accordance with their respective mandates;

08. In conclusion, we look forward to engaging further in this session towards exchanges of idea in pursuit of shaping more effective and sustainable policies pertinent to commodities in the broader spectrum of development.

I thank you!

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