



REMARKS ON BEHALF OF THE GROUP OF 77 AND CHINA BY MRS. CHULAMANEE CHARTSUWAN, AMBASSADOR AND DEPUTY PERMANENT REPRESENTATIVE OF THE KINGDOM OF THAILAND TO THE UNITED NATIONS, AT THE INFORMAL INTERACTIVE DIALOGUE ON COMMODITY MARKETS (New York, 16 May 2016)

Excellencies, Ladies and Gentlemen,

I have the honour to deliver this statement on behalf of the Group of 77 and China.

The Group wishes to express our high appreciation to the President of the General Assembly for organizing a dialogue on this issue of supreme importance. We wish to reiterate that this dialogue was originally proposed by the Group of 77 and China during the negotiation process of the General Assembly Resolution A/RES/70/191 entitled "Commodities". Hence, it evidently shows how crucial this dialogue is to us.

The Group of 77 and China represents major voices of the Commodity-Dependent Developing Countries (CDDCs) **who are most affected by the commodity price volatility and are still very much suffering from this enduring phenomenon until today** since price volatility is a cause of complex actions out of any control by developing countries. Their devastating effects hit hard on developing countries' economies and their long-term development plan, especially LDC, LLDCs, SIDs and African countries who are the most vulnerable, as well as countries and people under foreign occupation.

Therefore, we consider the convening of this dialogue as timely and opportune in that it provides us the forum to discuss policy options and share experiences on how to mitigate and manage a challenging phenomenon of high price volatility in commodity.

The Group wishes to reemphasise that the decreasing trends in commodity price have added profound impacts on **commodity-net export countries'** trade and budget deficits. Consequently, these deficits could reignite **sovereign debt crises** that hinder efforts by developing countries to pursue their economic growth and poverty reduction as well as to achieve other development goals under the **2030 Agenda and Addis Ababa Action Agenda**.

The Group wishes to highlight concrete examples on severe impacts of excessive price volatility in **the commodities that are vital to developing countries, agriculture, minerals, metals and energy**. Severe volatility in **agricultural** price, combined with growing population and urbanization, rising industrialization at the expenses of farm lands as well as excessive subsidies in agricultural sectors in the developed countries and excessive speculations in commodity markets, has significant impacts on sustainable patterns of production and consumption for food which contributes to **food crisis and food insecurity (SDG2)**. While **minerals, metals and energy** price volatility have left the global economy vulnerable to destabilizing macroeconomic side effects that will present a fundamental obstacle to future **sustainable economic growth (SDG8)** and compromise the attainment of **poverty eradication (SDG1)**.

Hence, the Group of 77 and China views that the **international community** should consider this persisting trend of commodity price volatility as issues of common concern. Excessive price volatility calls for a holistic policy approach on the part of the international community and a globally

coordinated and coherent action by governments, multilateral agencies and other relevant stakeholders.

To prevent the possibility of derailing from full and effective implementation of the 2030 Agenda and Addis Ababa Action Agenda, the Group wishes to highlight the need to **diversify economies** in CDDCs to reduce their vulnerability to the adverse effects of commodity price volatility. Low-income countries depend mostly on just a few commodities for the bulk share of their export earnings and the vast majority of the poor depend on primary commodities for their livelihoods. Therefore, commodity price fluctuations directly affect those countries' endeavor to eradicate poverty.

The Group also believes that it is necessary to **integrate commodity policies into macroeconomic and development strategies at national, regional and international level**. In this regard, we stress the indispensable **roles of United Nations** and its relevant agencies in identifying effective policies and measures and, most importantly, strengthening capacities of developing countries through their commodity and development policy integration. Countries should also be encouraged to set coherent policy actions such as the facilitation of value addition, enhancing participation in commodity and related product value chains, and encouraging the use and further development of market-oriented risk management tools, instruments and strategies to cope with adverse effects of excessive commodity price volatility, which will answer to the SDG1 on poverty eradication as well as others SDGs.

Lastly, the Group acknowledges the excellent work done by President of the General Assembly and the team regarding the organization of this dialogue and best efforts to provide this dialogue with the highest relevance. The Group of 77 and China wishes to reassure you our continued support as well as constructive and active engagement in this dialogue with the aim to come up with concrete policy recommendations and explore policy tools to allow us to best navigate towards the end of the commodity super cycle and eventually explore possible cushions against the adverse impact of excessive commodity price volatility on global sustainable development efforts.

I thank you.