



*American Model United Nations*

# **United Nations Conference on Trade and Development**

## **EXECUTIVE SUMMARY**

### **Commodities**

This report summarizes the ideas and concerns of the committee, and while a consensus was not reached, there was much debate that did serve to further the work on commodities.

The first chapter of this report includes a summary of the recommendations for action to the General Assembly. The United Nations Conference on Trade And Development (UNCTAD) believes futures markets be considered as a solution to commodities as it allows producers to protect themselves from volatility risk by trading in the future. There are three important issues within futures markets: challenges of implementation, technology accessibility for best utilization, and the fairness of future prices. Many countries also believe South-South cooperation can increase technology and information sharing and decrease dependence on volatile commodities.

In chapter two, the main controversy within the deliberations dealt with subsidies of commodities. While subsidies protect home markets in developed nations, they can be a obstacles to Least Developed Countries. A consensus was not reached concerning the revamping of the Common Fund for Commodities (CFC), although much open debate occurred. Grievances against the CFC included a universal standard at quality of products, free trade vis-à-vis fair trade, trade barriers, and views on the World Trade Organization. Some countries believe sustainability is necessary for commodity dependent nations to move away from monoculture cash crop production. Delegations also examined the volatility of the market, moratorium on debt, and establishment of a price floor. Multinational Corporations nurtured controversy regarding the promotion or hindrance of development.

Regarding the state of commodity prices, the body unanimously expressed its commitment to gradually reducing anti-competitive barriers to trade. UNCTAD believed that a global selection of products is offered to emerging economies for the purpose of sustainable economic development. Our cooperation in the area of bi-lateral and regional trade agreements worked to benefit all states involved. UNCTAD expressed its firm commitment to the development of the productive sector of developing economies, coordinated with partner institutions, multilateral and regional development banks, UN organizations, and other organizations on an international, regional, national and local level.

Chapter two, subsection B includes a working paper that the Conference believes contains ideas and concerns that should be brought to the attention of the General Assembly. The working paper recommends the development of special measures to compensate the poorest commodity-dependent states who are most affected by the volatility of prices within the global market. It also encourages the General Assembly to reestablish the CFC

to help alleviate the current instability in the market. Finally, the paper stresses the importance of addressing the unpredictability of commodity prices as it directly relates to efforts in reducing poverty.