



# COMMODITIES AND DEVELOPMENT REPORT

Perennial problems, new challenges and evolving perspectives

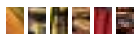




# COMMODITIES AND DEVELOPMENT REPORT

Perennial problems, new challenges and evolving perspectives





## NOTE

The designations employed and the presentation of the material do not imply the expression of any opinion whatsoever on the part of the United Nations Secretariat concerning the legal status of any country, territory, city or area, or of its authorities, or concerning the delimitation of its frontiers or boundaries.

Material in this publication may be freely quoted or reprinted, but acknowledgement is requested, together with a reference to the document number. It would be appreciated if a copy of the publication containing the quotation or reprint could be sent to the UNCTAD secretariat.

### Links and resources

For further information on the Special Unit on Commodities, please e-mail us at:

[commodities@unctad.org](mailto:commodities@unctad.org)

To access our publications, reports and statistics, which provide an in-depth view of commodity markets, trade and development, please visit the following websites:

[www.unctad.org](http://www.unctad.org)

[www.unctad.org/commodities](http://www.unctad.org/commodities)

UNCTAD/SUC/2011/9



## ACKNOWLEDGEMENTS

The *Commodities and Development Report* was prepared by a team consisting of Junior Davis (team leader), Rachid Amui, Leonardo Garcia, Martin Halle, Alexandra Laurent, Claudia Roethlisberger, Kris Terauds and Yan Zhang. The work was carried out under the overall guidance and supervision of Samuel Gayi, Head, Special Unit for Commodities (SUC) at UNCTAD.

The Report draws on background papers prepared by Dirk Bezemer, Junior Davis, Thomas Lines, Noémie Maurice and Omid Rahmani.

Comments were received from Kelvin Balcombe (Professor, University of Reading), Dirk Bezemer (Professor, Groningen University), Tony Guida (Senior financial market analyst), Paul Hare (Emeritus Professor, Heriot-Watt University), Raphael Kaplinsky (Professor, The Open University), Thomas Lines (consultant for commodity trade), David Luke (Senior trade adviser and coordinator of the Trade and Human Development Unit, UNDP), Machiko Nissanke (Professor, School of Oriental and African Studies, University of London), Massimiliano Riva (Trade specialist, Trade and Human Development Unit, UNDP), Dominic Stanculescu (consultant trade economist), and Christopher Stevens (Senior research associate, Overseas Development Institute). Lisa Borgatti, Elizabeth Jane Casabianca, Giovanni Valensisi and Anida Yupari, colleagues at UNCTAD, also provided comments.

Secretarial support was provided by Danièle Boglio and Catherine Katongola-Lindelhof. The cover and other graphics were prepared by Nadège Hadjemian and Nathalie Loriot carried out the desktop publishing. The text was edited by Praveen Bhalla.



# CONTENTS

<b>NOTE .....</b>	<b>II</b>
<b>ACKNOWLEDGEMENTS .....</b>	<b>III</b>
<b>EXPLANATORY NOTES .....</b>	<b>IX</b>
<b>GLOSSARY OF TERMS .....</b>	<b>XII</b>
<b>ABBREVIATIONS.....</b>	<b>XIV</b>
<b>OVERVIEW.....</b>	<b>XV</b>
<b>CHAPTER 1:</b>	
<b>REVISITING THE “COMMODITY PROBLEM” .....</b>	<b>1</b>
1. <i>Introduction .....</i>	2
2. <i>Commodity dependence, poverty traps and vulnerability .....</i>	2
3. <i>Commodities, Ricardo and the Prebisch-Singer hypothesis .....</i>	9
4. <i>Commodity revenues as a driver of diversification.....</i>	11
5. <i>Managing commodities.....</i>	13
5.1. <i>Commodity revenues as a “resource curse” revisited .....</i>	13
5.2. <i>Extractive sectors: ensuring an equitable distribution of windfall gains .....</i>	13
5.3. <i>Agriculture: securing commodity rents .....</i>	14
6. <i>The commodity problem: some preliminary views .....</i>	15
<b>CHAPTER 2:</b>	
<b>COMMODITY BOOM AND BUST IN HISTORICAL PERSPECTIVE: NEW TWISTS.....</b>	<b>29</b>
1. <i>Commodity boom and bust in historical perspective.....</i>	30
1.1. <i>Overview of price trends, 1960–2011 .....</i>	30
2. <i>The commodity booms of the 1970s and 2000s compared .....</i>	31
2.1. <i>World industrial production .....</i>	32
2.2. <i>United States exchange rates and global monetary conditions .....</i>	34
2.3. <i>Effect of changes in real exchange rates on commodity prices.....</i>	36
3. <i>New “twists” to the perennial commodity problem.....</i>	39
3.1. <i>Changing long-term demand patterns for commodities.....</i>	39
A. <i>Financial investment in Treasury bills versus commodities .....</i>	40
B. <i>Commodity derivative markets and commodity prices.....</i>	42
A. <i>Chinese demand for commodities .....</i>	50
B. <i>China’s impact on the prices of manufactures.....</i>	52
3.2. <i>Some policy responses .....</i>	56





## CHAPTER 3:

**THE DIRECT EFFECTS OF THE 2003-2011 COMMODITY BOOM: POVERTY AND FOOD INSECURITY.....69**

1.	<i>The direct effects of the 2003–2011 commodity boom on CDDCs.....</i>	70
1.1.	<i>Introduction .....</i>	70
1.2.	<i>Rising food prices and food insecurity.....</i>	70
1.3.	<i>Food price volatility.....</i>	75
1.4.	<i>Various aspects of food security.....</i>	77
1.5.	<i>Potential poverty impacts of rising and volatile food prices .....</i>	83
2.	<i>Policy response: Employing emergency food reserves to overcome food insecurity .....</i>	88
2.1.	<i>Emergency food reserve systems.....</i>	88
A.	<i>Selecting achievable objectives .....</i>	90
B.	<i>Scale and components of a reserve system .....</i>	92
C.	<i>The commodity mix to be stockpiled.....</i>	93
D.	<i>Aligning the interests of exporters and importers, and rich and poor neighbours .....</i>	93
2.2.	<i>Key considerations for addressing food insecurity through emergency food reserves.....</i>	94

## CHAPTER 4:

**INDIRECT EFFECTS OF THE RECENT COMMODITY BOOM: STRUCTURAL AND FINANCIAL IMPACTS .....105**

1.	<i>Introduction .....</i>	106
2.	<i>Structural and financial effects of the commodity boom.....</i>	106
2.1.	<i>Trends over time and by country income groups .....</i>	106
3.	<i>Commodity growth exposure and its consequences .....</i>	109
3.1.	<i>Measuring commodity growth exposure.....</i>	109
3.2.	<i>Exploring the consequences of commodity growth exposure .....</i>	110
3.3.	<i>Econometric analysis.....</i>	114
4.	<i>Commodity dependence in the context of finance-driven globalization.....</i>	118
4.1.	<i>Commodity dependence, international finance and growth: lessons learned.....</i>	118
4.2.	<i>Foreign direct investment by firms and States .....</i>	123
5.	<i>Land acquisition as a category of FDI in the commodities sector.....</i>	124
6.	<i>Policy implications .....</i>	126
	<i>Appendix 1: CDDC data coverage .....</i>	130
	<i>Appendix 2: Model.....</i>	133



## CHAPTER 5:

**PERENNIAL PROBLEMS, NEW CHALLENGES AND SOME EVOLVING PERSPECTIVES** .....**141**

1.	<i>Perennial problems, new challenges and some evolving perspectives</i> .....	142
1.1.	<i>Main findings</i> .....	142
1.2.	<i>Severed link between higher export prices and domestic income growth</i> .....	143
1.3.	<i>Broad policy perspectives</i> .....	144
2.	<i>Development strategies and reform of the international architecture</i> .....	145

**Figure**

1. 1.	<i>Regional distribution of CDDCs, 2009–2010 average</i> .....	6
1.2.	<i>Commodity dependence and export concentration in CDDCs, 1999–2000 and 2009–2010 averages</i> .....	7
2.1.	<i>Non-oil commodity price index in constant terms, 1960–2011 (2000 = 100)</i> .....	30
2.2.	<i>Evolution of real price indices of commodities, 1960–2011</i> .....	31
2.3.	<i>Average annual growth rate of industrial value added, 1971–1980 to 2001–2009 (per cent)</i> .....	32
2.4.	<i>Share of manufacturing in GDP, by country groups, 1980–2009</i> .....	33
2.5.	<i>Growth rate in world manufacturing value added and energy use 1970–1972 to 2006–2008 (3-year moving average)</i> .....	33
2.6.	<i>Evolution of real interest rates in the United States and real price index of commodities, 1960–2011</i> .....	35
2.7.	<i>United States real exchange rate and real commodity prices, 1960–2011</i> .....	36
2.8.	<i>Price of crude oil compared with (a) share of crude oil and petroleum in total goods imports of the United States, and (b) the United States trade deficit as a percentage of GDP, 2001–2010</i> .....	37
2.9.	<i>(a) Share of crude oil and petroleum in EU goods imports vs. crude oil price; (b) Euro area goods trade deficit as a percentage of GDP vs. crude oil price, 2001–2010</i> .....	38
2.10.	<i>Evolution of the nominal euro-dollar exchange rate and crude oil price, 2001–2010</i> .....	38
2.11.	<i>Aggregate balance sheet of United States non-farm, non-financial corporate business, 2006–2010 (annual growth rate)</i> .....	41
2.12.	<i>Evolution of commodity trading contracts on world exchanges, 2000–2011 (millions)</i> .....	42
2.13.	<i>Commodity trading as a share of global derivatives trading, 2003–2010 (Per cent)</i> .....	43
2.14.	<i>OTC derivatives trading of commodities, 2000–2010 (\$ billion)</i> .....	43
2.15.	<i>Relative performance of commodities as an asset class (no. of years to 31 August 2011)</i> .....	44
2.16.	<i>Evolution of Goldman Sachs commodity indexes compared with S&amp;P 500 Total Returns Index, 1970–2010</i> .....	45
2.17.	<i>Chicago Board of Trade wheat and soybeans: non-commercial, non-index trader net long positions compared with index trader net long positions, 2006–2011</i> .....	45
2.18.	<i>World ethanol production, 2000–2009 (thousand barrels/day)</i> .....	47
2.19.	<i>Share of ethanol from maize in total world maize consumption, 2003/04–2010/11 (per cent)</i> .....	47
2.20.	<i>Maize: real price index and total use/ending stock ratio, 1990/91–2010/11</i> .....	48
2.21.	<i>Biofuel production, 2001–2009 (thousand barrels/day)</i> .....	49
2.22.	<i>Chinese imports as a share of total soybean use, 2002/03–2009/10 (Per cent)</i> .....	49
2.23.	<i>Soybeans: Ratio of total use/ending stocks and real price index, 1990/91–2010/11</i> .....	49
2.24.	<i>Wheat: real price index and use/ending stock ratio, 1990/91–2010/11</i> .....	50
2.25.	<i>China's share in world imports of selected commodities (per cent)</i> .....	52
2.26.	<i>China's share of world exports of manufactures, 1995–2010 (\$ billion)</i> .....	53
2.27.	<i>Value and volume of deals in the global mining and metals sector, 2000–2011 (\$ billion)</i> .....	56
3.1.	<i>Food price spikes, 2001–2011 (2000=100)</i> .....	70



3.2.	<i>Evolution of cereal imports by low-income food-deficit countries, by value and volume, 1990/91–2008/09 (year-on-year percentage change)</i> .....	71
3.3.	<i>Coefficients of variation for selected commodities in the short and long run, 1960–1970 to 2000–2010</i> .....	75
3.4.	<i>Monthly value of the continuous commodity index, 1956–2012</i> .....	76
3.5.	<i>Non-commercial futures trading, 2002–2010: a cause of cereal price volatility?</i> .....	77
3.6.	<i>Food import bills of developed and developing countries and LIFDCs, 2007–2011 (\$ billion)</i> .....	78
3.7.	<i>LDCs' food trade balance, 1995–2009</i> .....	79
3.8.	<i>Indicators of food security in LDCs, selected years</i> .....	79
3.9.	<i>Share and level of official development assistance to developing countries, 1975–2009</i> .....	80
3.10.	<i>Cereal yields: developing countries versus world average, 1961–2009(Kilograms/hectare)</i> .....	81
3.11.	<i>Agricultural trade balance of LDCs, 1970–2009 (\$ billion)</i> .....	82
3.12.	<i>Share of consumer expenditure on food, selected countries, 2008</i> .....	83
4.1.	<i>Structural transformation: rates of growth of value added in manufacturing and services, 1996–2009 (per cent)</i> ..	107
4.2.	<i>Changes in life expectancy and spending on health and education, by income quintiles, 1995–2009 average</i> .....	107
4.3.	<i>Trends in indicators of domestic financial development, 1995–2009</i> .....	108
4.4.	<i>Trends in foreign financial positions and exchange rates, 1995–2009</i> .....	108
4.5.	<i>Commodity growth exposure by income quintiles, 1995–2009 average</i> .....	110
4.6.	<i>Commodity growth exposure and growth of non-primary sectors and investment, by decile, 1995–2009 (Average annual percentage growth rate)</i> .....	110
4.7.	<i>Average annual commodity growth exposure and structural transformation,by decile, 1995–2009 average</i> .....	111
4.8.	<i>Commodity growth exposure and domestic financial development, 1995–2009 average</i> .....	112
4.9.	<i>Commodity revenues and foreign financial positions, by decile, 1995–2009 average</i> .....	113
4.10.	<i>Asset accumulation and appreciation of the top two income quintiles before and after 2002</i> .....	114
4.11.	<i>Commodity revenues and social indicators, all deciles, 1995–2009 average</i> .....	114

#### Box

1.1.	<i>Terms of trade for commodities versus manufactures</i> .....	4
chart 1.	<i>Evolution in the ratio of terms of trade of commodities to manufactures, 1950–2008</i> .....	5
1.2.	<i>Commodity dependence, structural change and growth</i> .....	8
chart 2.	<i>Share of commodity groups in merchandise trade, 1995–2010</i> .....	8
chart 3.	<i>Average annual growth rate of the 10 leading commodity exports of CDDCs, 1995–2010</i> .....	8
chart 4.	<i>Exports of primary commodities by country groups, 2009–2010 average</i> .....	9
2.1.	<i>The role of China in the boom in global commodity markets: Two schools of thought</i> .....	51
2.2	<i>Foreign TNCs and CDDC natural resource development challenges</i> .....	54

预览已结束，完整报告链接和二维码

<https://www.yunbaogao.cn/report/index/report?re>