

Statement by UNCTAD
to the
G-24 Ministers and Governors Meeting
at the IMF–World Bank Spring Meetings
April 2026

Esteemed Ministers, Governors, and distinguished delegates,

The global economy entered 2026 on a relatively stable footing, growing 2.9 per cent in 2025 on the back of dynamism in trade and technology despite unprecedented trade and policy volatility. The conflict in the Middle East has abruptly changed the outlook. Oil prices surged more than 60 per cent in days; gas prices more than doubled. Financial markets have experienced sharp volatility, with emerging-market currencies depreciating, stock indices falling, and sovereign bond spreads widening. UNCTAD now projects global growth to slow to 2.7 per cent in 2026, with significant downside risks if the disruption is prolonged.¹

These shocks land on economies that were already stretched thin. The annual financing gap for sustainable development stands at approximately \$4.3 trillion.² Since 2014, interest payments on external debt across developing countries have more than doubled, while export revenues rose only 41 per cent over the same period. In 2024, low-income countries spent 18 per cent of government revenues on external public debt service — more than double the level of the previous year. Over the past eight years, 99 developing countries, home to 5.5 billion people, have experienced a decline in fiscal space, leaving less funding available for schools, hospitals, and infrastructure.³

Developing countries also continue to pay a significant borrowing premium. Over the past decade, they have paid, on average, more than twice the interest rates faced by advanced economies. For African economies, this premium has reached up to three times benchmark rates. UNCTAD estimates that if developing countries could borrow at comparable rates to developed countries, they could save up to \$500 billion annually — resources sufficient to build over 375,000

¹UNCTAD, *Trade and Development Foresights 2026* (forthcoming, April 2026).

²UNCTAD, *World Investment Report 2023*; and UNCTAD, *SDG Investment Trends Monitor*, Issue 4 (September 2023).

³UNCTAD, *Sovereign Debt Vulnerabilities in Developing Countries* (UNCTAD/GDS/2024/4, 2025).

schools, 1.3 million primary health clinics, or feed around 1.6 billion children a minimum dietary diversity diet each year.⁴

The current conflict intensifies these pressures through financial channels. UNCTAD's latest analysis shows an atypical flight-to-safety pattern: investors are moving into the dollar rather than long-term sovereign bonds, driving dollar appreciation while bond yields rise simultaneously. Emerging-market currencies have depreciated sharply, with stock indices declining over 6 per cent in the first twelve days of hostilities alone.⁵ Portfolio capital that had been flowing into developing countries through much of 2025 now faces reversal risks. For countries already at the edge of debt sustainability — 49 per cent of PRGT-eligible countries are classified as being in debt distress or at high risk of it⁶ — these dynamics can quickly turn a liquidity problem into a solvency crisis.

The disruption is also transmitting through trade. Disruptions in the Strait of Hormuz have sharply increased maritime freight rates for energy, with knock-on effects for food, fertilizer, and supply chain costs. While merchandise trade started 2026 with strong momentum — boosted by AI-related hardware, robust Asian exports, and recovering freight volumes — this momentum is expected to fade as the year progresses. UNCTAD estimates trade growth of no more than 3–4 per cent in 2026, with downside risks.⁷ It is worth noting that the trade expansion observed in 2025 was highly concentrated in a narrow set of products, particularly digital processing and AI-related equipment — in the United States, these goods accounted for roughly three quarters of the growth in total imports. Traditional sectors recorded only modest gains. This concentration signals fragility: broad-based trade growth, which supports diversified development, remains elusive.

The food security dimension deserves particular attention. One third of the world's seaborne fertilizer trade passes through the Strait of Hormuz, and planting season is approaching across much of the developing world.⁸ The consequences travel down a short chain: when fertilizer does not move or becomes unaffordable, farmers use less, yields fall, and food prices rise. The countries most exposed are among the poorest: UNCTAD data shows that Sudan sources 54 per cent of its seaborne fertilizer imports from the Persian Gulf region, Tanzania 31 per cent, Somalia 30 per cent, Pakistan and Kenya over a quarter each.⁹ For net food-importing developing

⁴UNCTAD, *Financing Development – External flows of financial capital to developing countries and their cost*, (forthcoming, April 2026).

⁵UNCTAD, *Trade and Development Foresights 2026* (forthcoming).

⁶IMF and World Bank, *Debt Sustainability Analysis for PRGT-eligible countries* (as at end 2025).

⁷UNCTAD, *Trade and Development Foresights 2026* (forthcoming).

⁸UNCTAD, *Assessment of the Impact of the Middle East Crisis on Maritime Trade and Supply Chains* (March 2026), UNCTAD/OSG/TT/INF/2026/1.

⁹UNCTAD seaborne trade data (2024). See <https://unctadstat.unctad.org/datacentre/>.

countries already facing tight fiscal space and weakening currencies, the combination of higher energy bills and rising food costs compounds an already severe affordability crisis.

Not all the effects are uniform. Oil and gas exporters with intact infrastructure may benefit from higher external revenues, although higher import costs for refined products can offset these gains. The energy shock also strengthens the economic case for accelerating the transition to renewables: already in 2024, new renewable capacity was cheaper than the cheapest fossil-fuel alternative in 91 per cent of cases, and higher fossil-fuel prices widen this gap further.¹⁰ Africa hosts 60 per cent of the world's best solar resources but received only 2 per cent of global clean energy investment in 2024¹¹ — a disparity that scaled-up, affordable financing could begin to close.

In this context, a rules-based, open, and non-discriminatory multilateral trading system remains essential for developing countries. Its value derives from the predictability, transparency, and special and differential treatment it provides. As trade policy uncertainty continues and geopolitical risks intensify, strengthening rather than fragmenting this system is more important than ever.

Against this backdrop, UNCTAD continues to support developing countries on the ground. In the area of debt management, the Debt Management and Financial Analysis System (DMFAS), which has assisted countries for over 40 years, has recently launched its seventh generation, responding to the increasing complexity of today's financing landscape. In the area of collective action, UNCTAD is supporting the establishment of a Borrowers' Platform — a key outcome of the Sevilla Commitment — with the process to be launched at these Spring Meetings. The architecture for creditors has long been well established through Paris Club coordination, shared platforms, and regular consultation mechanisms. The architecture for borrowers has been missing. This platform will provide a space for borrower countries to share experiences, coordinate capacity-building, and strengthen their collective voice in discussions on the international financial architecture.

The confluence of geopolitical disruption, persistent debt vulnerabilities, and trade uncertainty makes the deliberations of the G-24 particularly urgent this spring. UNCTAD stands ready to support G-24 members through its analytical work, technical cooperation, and platforms for collective action.

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¹⁰International Renewable Energy Agency (IRENA), *Renewable Power Generation Costs in 2024* (Abu Dhabi, 2025).

¹¹United Nations Secretary-General's remarks on Climate Action, 22 July 2025.