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US tariffs, policy uncertainty stalling global growth

The United Nations is now projecting global economic growth to slow to 2.4% in 2025, down from 2.9% in 2024. Heightened trade tensions, rising US tariffs, and policy uncertainty are compounding existing challenges, including high debt levels and slow productivity growth, further undermining global economic prospects.

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Global economy to slow amid surge in US tariffs, policy uncertainty

Global economic growth is projected to slow to 2.4% in 2025, down from 2.9% in 2024, as sweeping United States tariff announcements and counter-announcements, along with heightened policy uncertainty, have eroded global growth prospects, according to the United Nations.

by Kanaga Raja

PENANG: The world economy is at a precarious moment, marked by heightened trade tensions and elevated policy uncertainty, according to the United Nations.

In the mid-year update of the World Economic Situation and Prospects 2025 report, produced by the United Nations Department of Economic and Social Affairs (UN-DESA), the UN said higher tariffs – resulting in a significant increase in the effective tariff rate in the United States of America – are likely to strain global supply chains, drive up production costs and delay critical investment decisions, while also contributing to financial market volatility.

These developments are compounding existing challenges, including high debt levels and sluggish productivity growth, further undermining global growth prospects, said the UN.

Global economic growth is now projected to slow to 2.4 per cent in 2025, down from 2.9 per cent in 2024, and 0.4 percentage points below its January forecast, it added.

The UN said that the downward revisions in growth forecasts are broad-based, affecting both developed and developing economies. Weakening global trade growth and investment flows are compounding the slowdown.

Many trade-reliant developing countries face mounting challenges from reduced exports, lower commodity prices, tighter financial conditions, and elevated debt burdens, it pointed out.

It said slower global growth, elevated inflationary pressures and weakening global trade – including a projected halving of trade growth from 3.3 per cent in 2024 to 1.6 per cent in 2025 – is jeopardizing progress toward the UN's Sustainable Development Goals (SDGs).

"The tariff shock risks hitting vulnerable developing countries hard, slowing growth, slashing export revenues, and compounding debt challenges, especially as these economies are already struggling to make the investments needed for long-term, sustainable development," said Li Junhua, UN Under-Secretary-General for Economic and Social Affairs.

Global trends

According to the UN-DESA report, the global economic outlook has deteriorated significantly since its January 2025 forecast.

It said sweeping United States tariff announcements and counter-announcements, along with heightened policy uncertainty, have eroded global growth prospects, already weaker than the pre-pandemic trend due to high debt levels, sluggish productivity growth and geopolitical tensions.

"Declining consumer and business confidence, increased financial market volatility, and potential disruptions in manufacturing and supply chains are weighing on economies worldwide."

Tariff-induced price shocks risk reigniting inflation, slowing growth and driving up unemployment, complicating monetary policymaking, the report cautioned.

At the same time, it said that constrained fiscal space – particularly in developing countries – limits the ability of governments to respond effectively to these shocks.

"Policy ambiguity fuels unprecedented levels of uncertainty, imperiling decision-making at all levels. These challenges jeopardize growth and sustainable development."

Noting that the uncertainty in global growth forecasts is unusually high, the report said that under the baseline scenario, incorporating developments and policy announcements as of early May 2025, the world economy is projected to expand by 2.4 per cent in 2025, down from 2.9 per cent in 2024 and 0.4 percentage points below its January forecast.

The growth downgrade for 2025 affects both developed and developing regions, albeit to different degrees, the report noted.

It said that the broad-based downgrade arises from a series of increases in United States tariffs that have been unprecedented in size, scope and speed; retaliatory measures by China, the European Union and Canada; as well as uncertainty arising from selective implementation pauses and bilateral negotiations.

Currently, taking into account the agreement between the United States and China to significantly ease recent tariff hikes for 90 days, the average effective tariff rate on United States imports is estimated at about 14 per cent, up from 2.5 percent in early 2025, it added.

The report noted that in 2024, merchandise trade (average of exports and imports) accounted for 22.2 per cent of global economic output. United States imports made up 14 per cent of global imports, followed by China (10 per cent) and Germany (6 per cent).

Hence, it said that the potential upheaval in trade relations between the United States and the rest of the world portends significant risks for the global economy through multiple channels.

Complex supply chains based on enhanced specialization and low transaction costs need time and investments to adjust, a process that can be delayed by policy uncertainty, said the report.

"Uncertainties amplify financial market stress and volatility, while tariffs are expected to drive up business costs and consumer prices, stoking inflationary pressures."

Rising prices, market instability and income risks may impact consumer spending, further weakening demand, it added.

Should changes in merchandise trade spill over into services – such as transport or tourism – the reverberations could spread through additional channels, it cautioned.

Under the baseline scenario, United States growth is forecast at 1.6 per cent in 2025, down from 2.8 per cent in 2024 and 0.3 percentage points below the January forecast, said the UN.

While the expectation of higher tariffs led to front-loading of imports, rising policy uncertainty is expected to weigh on private investment and consumption, it added.

In the European Union, growth is projected at 1.0 per cent in 2025, unchanged from 2024 and 0.3 percentage points below the January forecast.

An up-tick in consumer spending, supported by resilient labour markets, real income growth and lower interest rates, is expected to be offset by weaker net exports amid rising trade barriers, said the report.

Among developing economies, East Asia and Latin America are expected to be the most impacted by tariffs due to their strong trade links with the United States, it pointed out.

Many developing countries also face challenges from weak commodity price outlooks, said the report.

In China, disruptions in export-oriented manufacturing, subdued consumption, and property sector weakness are expected to slow growth to 4.6 per cent in 2025, 0.2 percentage points below the January forecast.

It said Mexico's economy is projected to stagnate in 2025 due to weaker exports to the United States and a steep decline in investment.

In Africa, growth remains constrained by trade tensions, depressed prices of key commodities and ongoing armed conflicts, it added.

Despite a projected moderation, India remains one of the fastest-growing large economies, supported by resilient consumption and government spending, it noted.

The Commonwealth of Independent States (CIS) region is largely insulated from the direct effects of global trade tensions but may face challenges from declining oil and gas prices, which could weigh on export revenues and fiscal balances, the report suggested.

Economic prospects for many small and vulnerable countries have also worsened, it said.

Growth in the least developed countries (LDCs) is forecast at 4.1 per cent in 2025, 0.5 percentage points below the January forecast.

Cambodia, Lesotho and Madagascar are among the countries facing the highest levels of potential "reciprocal tariffs" from the United States, a key export destination, it noted.

Small Island Developing States (SIDS) have seen a slight downward revision in growth to 3.1 per cent in 2025.

However, the report said landlocked developing countries (LLDCs), as a group, are likely to experience limited near-term impacts from the trade conflict due to their restricted access to international markets.

It said a rapid resolution of trade tensions, accompanied by significant tariff reductions, could improve global economic prospects.

However, it pointed out that downside risks dominate, with outcomes potentially worse than in the baseline scenario.

"Prolonged policy uncertainty, persistent trade conflicts and continuing market volatility could further disrupt supply chains, erode business and consumer confidence, and limit fiscal space."

In this downside scenario, global growth could fall by 0.3 percentage points in 2025 and 0.6 percentage points in 2026 compared to the baseline forecast, it warned.

A deteriorating global outlook further undermines progress towards the SDGs, many of which are already off track, the report further said.

"Small and vulnerable economies, with limited bargaining power in bilateral trade negotiations, face declining trade revenues, weaker job creation, and slower growth. These challenges risk widening global inequalities and hindering economic convergence."

Tariff-induced price increases disproportionately impact low-income households, intensifying cost-of-living pressures, threatening poverty reduction, and worsening within-country inequality, the report emphasized.

"Women are especially vulnerable, as many countries under high tariff threats are major exporters of labour-intensive apparel and textiles, where women constitute the vast majority of the workforce."

Weakened growth prospects further limit governments' fiscal space, constraining investment in development and climate action, said the report.

Inflation risks

In other key findings, the report said inflation is projected to continue declining, albeit at a slower pace, over the forecast period.

It said global headline inflation is projected to decelerate from 4.0 per cent in 2024 to 3.6 per cent in 2025, 0.2 percentage points higher than the January forecast.

Falling prices for oil and certain commodities – reflecting weakening demand and easing supply constraints – are expected to provide some relief, it suggested.

However, it said rising tariffs, particularly in the United States, are likely to push up consumer prices, potentially reigniting inflation.

In developed economies, inflation is projected to average 2.8 per cent in 2025, slightly above the 2.7 per cent recorded in 2024, said the UN.

"Core inflation – excluding food and energy – moderated in early 2025 but remains above central banks' target levels."

The report said that in the United States, prospects of significantly higher tariffs on final and intermediate goods have raised short-term inflation expectations, fuelling concerns about renewed price pressures and possible "de-anchoring" from central bank targets.

It said although a single tariff hike may cause only a limited up-tick in prices, broader tariff increases that impact different stages of supply chains, prompt retaliatory actions or result in significant supply disruption could lead to a more prolonged and persistent rise in consumer prices.

"In contrast, goods prices in Europe may face downward pressure as exporters redirect products away from the United States market."

The report said this dynamic could deepen the divergence between the two regions, with inflation continuing to decline in Europe, while remaining elevated in the United States – contributing to differing interest rate decisions.

In developing economies, average inflation is forecast to fall from 6.0 per cent in 2024 to 4.7 per cent in 2025, approaching its long-term average, said the report.

However, in three-quarters of these economies, inflation in 2025 is expected to exceed 2019 levels, with several countries experiencing double-digit rates, it added.

Despite significant declines, food inflation remains high in many countries, particularly in Africa and Western Asia, due to exchange rate volatility, conflicts and climate-related shocks, it concluded. *(SUNS #10223)*

Global trade growth to slow sharply to 1.6% this year, says report

Merchandise trade is forecast to weaken significantly in the second half of 2025, following a surge in late 2024 and early 2025, as businesses front-loaded shipments ahead of anticipated tariff hikes by the United States, according to the United Nations.

by Kanaga Raja

PENANG: Global commerce is being reshaped, with trade growth projected to slow sharply from 3.3 per cent in 2024 to 1.6 per cent in 2025, according to the United Nations.

In the mid-year update of the World Economic Situation and Prospects 2025 report, the UN said that the current disruptions are unfolding alongside broader structural changes, including the expanding role of services, evolving supply chains, the deployment of advanced technologies, and the increasingly multipolar nature of global trade.

Merchandise trade is forecast to weaken significantly in the second half of 2025, following a temporary surge in late 2024 and early 2025 as businesses front-loaded shipments ahead of anticipated tariff hikes, it added.

"The trade outlook remains highly uncertain, amid unpredictable trade policies and potential ripple effects across global relationships," the report suggested.

"While disruptions could unlock new opportunities for some economies, the risks of escalating protectionism, growing inefficiencies and persistent policy uncertainty pose significant challenges, underlining the volatile state of global trade."

Escalating trade frictions are placing increasing strain on the multilateral trading system, particularly the World Trade Organization (WTO), the cornerstone of rules-based international trade, said the report.

It said small and vulnerable economies face greater risks of marginalization, as their limited leverage in trade negotiations leaves them increasingly exposed in this fragmented landscape.

"Adding to these challenges is the ongoing impasse in the WTO dispute settlement system, which makes trade conflicts harder to resolve, increasing uncertainty in global trade relations."

The report said that recent trade indicators show significant variation across regions and product categories.

It said United States merchandise imports rose sharply during the front-loading phase. In parallel, exports from China and other East Asian economies surged, fuelled by robust global demand for electronics, machinery, and semiconductors - critical components of global supply chains.

In contrast, commodities underperformed due to subdued demand, especially for oil, placing additional strain on resource-dependent economies, it added.

This weakness is expected to persist throughout 2025, with prices of key commodities- including oil, industrial metals and minerals - projected to decline considerably, it suggested.

The report said signs of weakening goods trade are becoming increasingly evident. For example, manufacturing Purchasing Managers' Indices (PMIs) for new export orders have fallen below 50 in many economies, indicating weakness in external demand going forward.

However, the report said that services trade has proven more resilient, driven by digitalization and technological advancements.

It said that by 2023, digitally deliverable services reached $4.25 trillion, nearly 14 per cent of global goods and services exports.

"Artificial intelligence (AI) is further transforming services trade, with sectors such as education, healthcare and finance benefiting from AI-driven productivity growth and lower trade costs."

However, slower merchandise trade may undermine prospects for freight and transport services, while weaker overall growth could dampen demand for services like international tourism, the report pointed out.

The global trade conflict is projected to weigh heavily on investment worldwide, by weakening global demand, raising costs for businesses and increasing policy uncertainty, it said.

According to the UN-DESA report, many firms are adopting a "wait-and-see" approach, delaying or scaling back capital expenditures, especially in sectors heavily reliant on complex global supply chains, such as electronics, machinery and automotive manufacturing.

It also said that investment, the most import-intensive part of demand, is highly vulnerable to trade pressures.

In developing countries, elevated financing costs further constrain investment capacity, compounding the trade-related challenges, it added.

Consequently, the report said the weakness in global investment growth observed in 2024 is expected to persist in 2025, deepening its drag on long-term economic prospects.

It noted that among developed economies, investment growth in the United States began moderating in late 2024 but remained relatively strong overall.

"Business and residential investment face significant challenges, with trade, economic, and monetary policy uncertainties weighing on corporate and household decision-making."

The report said in the euro area, investment contracted by 2 per cent in 2024 and remains under pressure from geopolitical instability and subdued demand.

However, increased military spending in the European Union, particularly in Germany and the United Kingdom of Great Britain and Northern Ireland, is expected to provide some support to investment growth, it added.

"In developing regions, the slowdown in investment growth is projected to persist in 2025 due to trade-related uncertainties, elevated interest rates, and fiscal constraints."

Geopolitical tensions and rising tariffs are reshaping global supply chains, driving a reallocation of foreign direct investment (FDI) flows, said the report.

For instance, FDI flows to China declined by 29 per cent in 2024, a second consecutive year of contraction.

In contrast, regions with strong connectivity to major developed markets, free trade agreements, and established manufacturing sectors could attract increased investment as businesses adapt to the evolving trade environment, although prolonged uncertainties can delay such decisions, the report suggested. *(SUNS #10223)*

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Global job growth to slow amid trade disruptions, rising uncertainty

Reflecting a downgraded global economic outlook due to geopolitical tensions and trade disruptions, the International Labour Organization (ILO) has projected the creation of seven million fewer additional jobs in 2025.

by Kanaga Raja

PENANG: Reflecting a weakened global economic outlook, the International Labour Organization (ILO) has projected the creation of 53 million jobs in 2025, instead of the previously estimated 60 million.

In its World Employment and Social Outlook (WESO) Update report, released on 28 May, the ILO said that this translates into a reduction in global employment growth from 1.7 per cent to 1.5 per cent this year.

The drop – which is the equivalent of around seven million fewer additional jobs – reflects a downgraded global economic outlook, as GDP growth is expected at 2.8 per cent, down from a previous projection of 3.2 per cent.

The ILO identified geopolitical tensions and trade disruptions as key factors in a weakened economic outlook, leading to slower job growth.

In addition, the ILO estimated that close to 84 million jobs across 71 countries are directly or indirectly tied to consumer demand in the United States.

It said these jobs – and the incomes they support – are now increasingly at risk of disruption due to elevated trade tensions.

The Asia-Pacific region is where most of these jobs – 56 million – are concentrated, it said, adding that Canada and Mexico, however, have the highest share of jobs – 17.1 per cent – that are exposed.

"We know that the global economy is growing at a slower pace than we had anticipated it would. Our report now tells us that if geopolitical tensions and trade disruptions continue, and if we do not address fundamental questions that are reshaping the world of work, then they will most certainly have negative ripple effects on labour markets worldwide," said the ILO Director-General Gilbert F. Houngbo.

Uncertainty

According to the report, economic uncertainty has been high in 2025, shaped by ongoing conflicts, geoeconomic realignments, and trade-related disruptions.

"While output continues to expand at a modest pace and inflationary pressures continue to ease, the combined weight of this uncertain landscape and systemic transitions – such as those related to climate, technology, and demographics – casts a long shadow over both growth trajectories and labour market dynamics."

The ILO report said that against this backdrop, the global economy is expected to grow by 2.8 per cent in 2025, according to the International Monetary Fund's (IMF) April 2025 World Economic Outlook (WEO) projections, representing a downward revision of 0.4 percentage points compared to the IMF WEO October 2024 projections, highlighting the volatility that has characterised the past six months.

Inflation, while expected to fall across most regions, remains above target in many countries, with a projected global average of 4.4 per cent in 2025 compared to 5.8 per cent in 2024.

Although the decline in inflation has created room for more accommodative monetary policy in some economies, disinflation gains have been offset by rising trade barriers, volatile capital flows, supply chain disruptions, and persistently high public debt levels, said the report.

It said that high-frequency labour market indicators, available for mostly high-income countries, tell a similarly mixed story.

While unemployment rates in countries with early 2025 data remain at historic lows, job vacancies are slightly below their long-term trends, and business and consumer sentiment has declined in the first quarter of 2025, it noted.

"The low unemployment rates, coupled with leading indicators such as job vacancies and business confidence both below trend, may suggest that employers are more cautious about hiring new workers during this period of uncertainty, though they are retaining their existing employees."

The ILO said that this potential slowdown in hiring could be offset by the still-prevalent labour shortages in many high-income countries.

However, in some developing countries, it could lead to higher unemployment and increased informality, it added.

According to the report, trade policy developments are significantly influencing global economic prospects.

The decision by the United States in April 2025 to introduce (and in part later pause) sweeping "reciprocal tariffs" has profoundly altered the global trading landscape, it said.

It cautioned that with new minimum duties of 10 per cent on all imports and tariff increases exceeding 40 per cent in various large Asian economies, trade flows are expected to contract, raising the risk of a synchronized global slowdown.

It said in response to growing protectionism, businesses are reassessing sourcing strategies. "While there is no clear evidence of the overall direction that these new supply chain models might take, these re-configurations may be unevenly distributed as they require high upfront investment, potentially excluding smaller economies and exacerbating regional disparities in employment and investment."

It also said changes in tariffs are disrupting supply chains and increasing inflation expectations across regions.

In the Americas, GDP growth is expected to slow to 1.8 per cent in 2025, against a previous forecast of 2.3 per cent from October 2024, with downgraded forecasts for the US and neighbouring economies, said the report.

Labour markets in the Americas have shown resilience, with unemployment rates remaining low by historical standards despite seeing an increase over the past two years.

Yet, the report pointed out that informality and fiscal pressures remain high in developing countries in the region.

Asia and the Pacific remains among the world's fastest-growing regions, with projected growth of 3.8 per cent in 2025, led by strong growth in South Asia.

However, the report said that headwinds are intensifying as trade tensions are weighing negatively on regional prospects, particularly in China, Vietnam, Sri Lanka, and Cambodia.

"On the upside, disinflation and resilient electronics exports are supporting stable macroeconomic conditions."

The Europe and Central Asia region remains significantly affected by geoeconomic disruptions, with growth projected to remain sluggish (1.5 per cent in 2025), and consumer sentiment declining, reflecting political uncertainty and challenges associated with reducing dependence on external energy sources and advancing the green energy transition, said the ILO.

"The resurgence of trade protectionism and global fragmentation have led governments across the region to rethink industrial policy and supply chain dependencies."

Africa's economic growth is projected to rise to 3.8 per cent in 2025, from 3.0 per cent in 2024. Despite this improvement, progress remains fragile, said the report, adding that high inflation rates, debt vulnerabilities and regional instability continue to constrain recovery.

In addition, the current trade climate has generated new challenges for this region, which generally faces lower tariffs in developed country markets due to preferential trade agreements, it noted.

In the Arab States, growth remains divided between oil-exporting and import-dependent economies, with the whole region now projected to grow at 2.3 per cent in 2025 (against a previous forecast of 4.1 per cent).

While easing global energy prices are improving inflation dynamics, conflict spillovers continue to dampen confidence, said the report.

Global job outlook

The weakening of the global economy in 2025 has important implications for employment prospects worldwide, with lower economic growth likely to translate into slower employment growth in the short term, the report said.

It pointed out that a key driver of the more pessimistic outlook is the recent shift in trade dynamics, which has heightened uncertainty around global demand.

This is especially relevant for workers tied to US consumption and investment demand, who now face elevated risks of partial or total income loss due to higher tariffs and the unpredictability of future trade measures, the ILO said.

The report said as of 2023, an estimated 84 million workers have jobs linked directly or indirectly through supply chains to final demand from the United States in the 71 countries with available data, amounting to 4.3 per cent of total employment in these countries.

Most of those workers – 56 million – are in Asia and the Pacific, though the share of total employment is highest in Canada and Mexico, at 17.1 per cent.

The ILO said that while some of those workers are already at risk of being affected by higher tariffs, a cloud of uncertainty is affecting a wider swath of workers.

The final employment impact will depend on the evolution of US demand for imports, trade diversion effects and employment shifts into other sectors, the report suggested.

"The latter effect could cause a deterioration in employment quality, since trade-related sectors tend to have higher average job quality – measured by indicators such as lower informality – than many non-trade-related alternatives."

Globally, with GDP growth now estimated at 2.8 per cent for 2025, employment is forecast to increase by 1.5 per cent, said the ILO.

The report said that this corresponds to an increase in global employment of 53 million in 2025, a downward revision compared to earlier estimates from October 2024, which had projected an employment growth rate of 1.7 per cent (or 60 million new workers globally).

The slowdown in economic growth is expected to reduce global employment growth by approximately 7 million workers this year, it pointed out.

It said that the estimated shortfall of 7 million workers is especially concerning considering the global jobs gap - defined as the number of people who would like a job but currently do not have one - which is estimated to reach 407 million people in 2025.

"Slower employment growth also raises concerns if it were to result in a greater share of workers taking lower-quality or more vulnerable jobs."

Asia and the Pacific remains the region with the fastest employment growth, followed by Africa. However, while employment in Asia and the Pacific region was previously expected to grow by approximately 1.9 per cent (or 38 million employed people) in 2025, the current forecasts predict employment will grow by a more modest 1.7 per cent (or by 34 million) in the current year, said the report.

Following a revision in economic growth forecasts from 2.3 to 1.8 per cent, employment growth projections in the Americas have also been substantially revised, from a previous forecast of 1.6 per cent in 2025 to a current projection of 1.2 per cent, it added.

Under these revised forecasts, the Americas is the region with the second-slowest projected employment growth, preceded only by Europe and Central Asia at 0.6 per cent, the report concluded. *(SUNS #10232)*

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Persistence of informal jobs remains a critical concern in South – ILO

While formal employment worldwide increased by 12.6% during 2014-2024, informal employment grew by 13.7% over the same period, highlighting the ongoing challenges of translating economic growth into formal and decent job opportunities, according to the International Labour Organization (ILO).

by Kanaga Raja

PENANG: Global economic growth has been moderately employment-intensive over the past decade, with productivity growth outpacing employment growth, but the persistence - and in some cases the expansion - of informal employment remains a critical concern in developing countries, the International Labour Organization (ILO) has said.

In its World Employment and Social Outlook (WESO) Update report, released on 28 May, the ILO said that as of 2024, formal employment worldwide increased by 12.6 per cent since 2014, while informal employment grew by 13.7 per cent over the same period.

More than two billion people were in informal employment in 2024 - representing 57.8 per cent of all employed workers worldwide, it said.

The persistence of informal employment – and in some regions its expansion – highlights the ongoing challenges of translating economic growth into formal and decent job opportunities, said the report.

According to the report, globally, total employment has grown by 13.2 per cent over the period from 2014 to 2024, against more pronounced productivity growth (or growth in output per worker) of 17.9 per cent.

Productivity growth was highest in Asia and the Pacific (39.8 per cent), which is the region that also recorded the strongest GDP growth in the last decade (55.0 per cent) against more modest employment growth (10.5 per cent).

In other words, economic growth in the region has been accompanied more by productivity improvements than by the creation of new jobs, said the report.

This productivity-driven growth could be the result, among other factors, of a higher demand for high-skilled workers, as well as stronger growth in capital-intensive industries, and industries where automation is more likely to substitute labour, it suggested.

However, at the opposite end of the spectrum, GDP growth in the Arab States was associated with even higher employment growth, but challenges related to economic diversification continue to hamper productivity gains.

Similarly, Africa also experienced strong employment growth over the last ten years, against a more modest increase in output per worker.

The economic growth in these two regions over the past decade was therefore accompanied by more labour rather than higher productivity, the report observed.

The report said globally, formal and informal employment have grown at a similar pace over the past ten years.

According to the report, while at the beginning of the last decade formal employment growth slightly outpaced that of informal employment, informal employment proved more resilient during the COVID-19 pandemic, and rebounded more quickly thereafter.

As of 2024, formal employment worldwide increased by 12.6 per cent since 2014, while informal employment grew by 13.7 per cent over the same period, it said.

"The more rapid growth of informal employment over the last decade is at least in part attributable to differences in the employment composition of countries: on average, some of the countries with large employed populations and a high prevalence of informal employment also experienced significant growth in total employment."

More than two billion people were in informal employment in 2024, representing 57.8 per cent of all employed workers worldwide, said the report.

In Africa, a region where around 85 per cent of the workers were employed informally, informal employment expanded by 29.3 per cent over the past decade.

In the Arab States, informal employment grew even faster – by more than 36.1 per cent – significantly outpacing the 22.3 per cent growth in formal employment.

In contrast, the report said Europe and Central Asia, where only 12 per cent of workers were in informal jobs in 2024, experienced a decline in informal employment of 11.3 per cent over the past ten years, while formal employment recorded growth of 10.5 per cent.

Similarly, in the Asia and the Pacific region, total employment was primarily driven by more formal employment opportunities, suggesting an ongoing shift toward more formal labour market structures in the region, it added.

It said regional disparities underscore the need for continued efforts to ensure that economic growth is not only employment-intensive, but also inclusive.

Other key findings

In other key findings, the report highlighted troubling trends in income distribution. The labour income share - which is the proportion of GDP going to workers - fell globally from 53.0 per cent in 2014 to 52.4 per cent in 2024, with Africa and the Americas experiencing the largest declines.

If the labour income share had stayed at its 2014 level, labour income globally would have been $1 trillion (in constant PPP) higher in 2024 and workers would have earned about $290 more (in constant PPP) on average, it said.

This erosion in the share of global income going to workers puts upward pressure on inequality and highlights a disconnect between economic growth and worker compensation, it added.

The report also pointed to a shift in employment towards high-skilled jobs.

The ILO said that around four in

ten workers globally (40.2 per cent) were employed in elementary occupations or skilled agricultural, forestry and fishery occupations, which it grouped into one category and labelled as low/ medium-skill level occupations.

These occupations are often marked by limited formal education requirements and low wages, it noted.

The report said other medium-skill occupations – including clerical support workers, service and sales workers, craft and related trades workers and plant and machine operators, and assemblers – accounted for 39.7 per cent of global employment.

High-skill occupations – managers, professionals, and technicians and associate professionals – made up around a fifth (20.1 per cent) of workers, reflecting the growing labour demand for specialised talent and competencies.

Low-income countries remain heavily reliant on elementary occupations and occupations related to agriculture, forestry and fishery (low/medium-skill occupations), which accounted for 65.5 per cent of total employment in 2023 – down slightly from 67.8 per cent in 2013, the report said.

In these countries, lower-skill employment remains prevalent because of slow progress in moving away from agriculture and other low-productivity sectors, it suggested.

At the opposite end of the spectrum, high-income countries have maintained a consistently low share of low/ medium-skill employment – around 12 per cent – and record the highest proportion of workers employed in high-skill occupations among all income groups (44.3 per cent in 2023), said the ILO.

The higher prevalence of high-skill jobs in high-income countries is at least in part because these countries have more skilled workers, it suggested.

"Occupational dynamics have been characterised by a general shift towards high-skill employment, although progress across country-income groups has been uneven."

The share of employment in high-skill occupations (i.e. managers, professionals, and technicians and associate professionals) was 18.9 per cent in 2013, and it increased to 20.1 per cent in 2023, said the report.

High-income countries have been driving this trend, with the share of high-skill employment rising from 39.4 to 44.3 per cent, against declines in both medium-skill and low/medium-skill employment.

This general shift towards high-skill occupations has been particularly pronounced for women and is in line with a global pattern of up-skilling, the report emphasized.

Between 2013 and 2023, the share of women employed in high-skilled occupations rose from 21.2 to 23.2 per cent, while the proportion of men in high-skilled occupations was around 18 per cent in 2023.

The report said over the past decade, in countries with available data, the share of workers with an advanced educational qualification has increased from 25.7 to 29.8 per cent, with significant improvements in workers' educational levels observed across all major occupational groups.

The growth in high-skill occupations was primarily driven by workers employed as professionals. Their share within total employment increased from 8.7 to 10.4 per cent, reaching as high as 21.7 per cent in high-income countries, it added.

Among professionals, those working in the information and communications technology sector have experienced the fastest growth, with their share of total employment (in countries with available data) going from 0.8 per cent to 1.3 per cent over the past decade.

Lower- and upper-middle-income countries are instead undergoing a gradual transition towards medium-skill occupations, said the report.

"The share of employment in medium-skill occupations has risen from 30.9 to 36.5 per cent in lower-middle-income countries, and from 40.2 to 42.8 per cent in upper-middle-income countries, although lower-skill roles continue to dominate the occupational structure of the employed population in lower-middle income countries."

However, the report said while educational attainment continues to rise worldwide, the labour market remains characterized by significant educational mismatches.

As of 2022, only 47.7 per cent of workers held qualifications that appropriately matched their job requirements.

The share of under-educated workers declined from 37.9 to 33.4 per cent over the past decade, but the share of over-educated workers increased from 15.5 to 18.9 per cent, it said.

The report further said that Artificial Intelligence (AI) - particularly generative AI (GenAI) - is emerging as a transformative force in the world of work.

It found that most workers (76.2 per cent) are in occupations classified as not exposed or minimally exposed to GenAI.

At the same time, 7.5 per cent of workers are employed in occupations deemed to have high exposure to GenAI, and 16.3 per cent are in roles considered to have medium exposure.

These figures suggest that nearly one in four workers could see their role significantly transformed by generative AI technologies, the report pointed out.

The share of employment that is exposed to GenAI is higher among women than among men and increases with country income levels, it noted.

Based on the latest estimates, workers in medium-skill occupations face the highest risk of overall generative AI- induced impacts, with 38.1 per cent employed in occupations with some degree of exposure, it said.

It said within the medium-skill occupations, 25.8 per cent of workers are employed in roles with medium GenAI exposure, and an additional 12.3 per cent of workers are employed in roles with high exposure, such as general office clerks and contact centre salespersons.

High-skill occupations are also significantly affected, with 35.3 per cent of employment within these occupations exposed, it said.

Notably, it said workers in high-skill occupations have the largest share of employment with high exposure to generative AI technologies, at 13.1 per cent, including occupations like accountants and software developers.

Additionally, 22.2 per cent of workers are employed in roles with medium exposure to GenAI. However, most employment in both high-skill and medium-skill occupations remains in roles with limited exposure to GenAI.

Low/medium-skill occupations are likely to be largely shielded from AI impacts, with 99.2 per cent of workers having minimal to no exposure, the report said. *(SUNS #10232)*

Third World ECONOMICS No. 819-820, 16 May -15 June 2025

US espouses merits of "unilateralism" at informal Paris meeting

At an informal World Trade Organization ministerial meeting in Paris on 3 June, the United States highlighted how "unilateralism" has worked well for it, as opposed to the "multilateral process", with its cumbersome processes and consensus-based decision-making.

by D. Ravi Kanth

GENEVA: The United States has seemingly made it known in no uncertain terms that "unilateralism" is working well for Washington, while the "multilateral process" is not helping to resolve its core trade concerns at the World Trade Organization, dashing hopes for reforming the global trade body in the near future, said people familiar with the development.

At an informal WTO ministerial meeting in Paris on 3 June, the US Trade Representative (USTR), Ambassador Jamieson Greer, who took part for the first time in a meeting ostensibly to address the issue of reforming the WTO, appears to have stuck to some hardline positions centering on "unilateralism", as well as unleashing a litany of criticisms over the WTO's alleged failures, including its inability to address the issue of non-market economies, said people, who asked not to be quoted.

In a separate development, the US tariffs of 50% on imports of steel and aluminum came into effect on 4 June, a day after US President Donald Trump signed an executive order escalating the global trade war, said people, who asked not to be quoted.

Aside from the US, India also highlighted a long list of problems relating to how the WTO allegedly failed to address the issue of non-tariff barriers, and has enabled non-market economies to make substantial gains, said people familiar with the development.

From diametrically opposing positions, the US and India appear to have put paid to any outcome or understanding on what needs to be done in the coming months on WTO reforms before the WTO's 14th ministerial conference (MC14), which is scheduled to be held in Yaounde, Cameroon in end-March next year, several participants noted.

The informal WTO ministerial meeting was convened by Australia on the margins of the annual ministerial meeting of the Organization for Economic Cooperation and Development (OECD) held at its headquarters in Paris on 3 June.

The Australian trade minister Don Farrell, who chaired the meeting, is understood to have framed the meeting by pointing out that WTO members are facing serious problems at this juncture, while asking the 20 trade ministers in attendance what they intend to do to address these problems, said people familiar with the proceedings of the meeting.

In response to the Australian minister's statement, most of the countries that spoke at the meeting acknowledged that there is a problem, while agreeing that WTO reform is one of the core priorities.

The trade ministers also highlighted other issues including agriculture, the second phase of the Agreement on Fisheries Subsidies (Fish-2), special and differential treatment, and the need to address the WTO's negotiating function.

"No one disagreed on the usual list of issues," said a participant, preferring not to be identified.

Even the European Union was "probably quite careful to leave space, but basically signalling that it was able to kind of engage in the discussion," said another person familiar with the proceedings.

"Unilateralism"

According to several persons, the US "gave its familiar position, which was all about unilateralism."

The US seemingly highlighted how "unilateralism" has worked in the last couple of months, suggesting that the WTO, with its cumbersome processes and consensus-based decision-making, failed to resolve its core concerns all these years, the persons said.

The US also mentioned several other issues such as overcapacity, especially in the steel sector, state-sponsored subsidy regimes, and non-market economies, which the WTO has seemingly failed to address, said people who asked not to be identified.

India listed around eight issues that highlighted several alleged failures of the WTO, including addressing distortions caused by non-market economies, as well as non-tariff barriers, said people who asked not to be quoted.

India also stated its opposition to incorporating the Investment Facilitation for Development Agreement (IFDA) into Annex 4 of the WTO Agreement, as well as other Joint Statement Initiatives (JSIs), despite efforts by the WTO's Director-General, Ms Ngozi Okonjo-Iweala, to persuade New Delhi to join the consensus on the incorporation of IFDA into Annex 4 of the WTO Agreement, said people, who asked not to be quoted.

Trade ministers from the African countries who took part in the meeting pressed for an outcome at MC14 along the lines of what was achieved at the WTO's 10th ministerial conference (MC10) in Nairobi, Kenya in December 2015, said people familiar with the proceedings.

Following the first round of discussions at the Paris meeting where trade ministers presented their initial views and expectations, the WTO DG opened the second session after presenting a summary of the problems plaguing the WTO and the multilateral trading system, said people who asked not to be quoted.

After her initial comments at the second session, Ms Okonjo-Iweala sought to know from the ministers as to what they are prepared to give up from their much-stated positions, said participants who took part in the proceedings.

Essentially, she sought to know from the ministers as to what their specific contributions are going to be in order to accomplish the WTO reforms, said participants.

"That poser from the DG almost killed the second part of the conversation," said one participant who asked not to be identified.

The Barbados trade minister pointedly told the other ministers that many of the issues, such as the "level playing field issues", are very well known, emphasizing the need to grapple with them.

"But the sense from the "big guys" was really, yeah, they're not ready," the participant said, adding that the US just wasn't ready.

It is clear that the US is seemingly determined "to take the unilateral approach and they feel that they're succeeding" through this approach, the participant said.

The trade ministers from the so-called "Friends of the System" Group including Australia, New Zealand, Singapore, and Switzerland among others shared their willingness to make the appropriate contributions, said another participant, who asked not to be quoted.

Significantly, "the US didn't change its position and India didn't change its position," while countries like Japan suggested that they are ready to make modest contributions, the participant said.

Meanwhile, in a separate development, it appears that the USTR has sent letters to only those countries that currently have average tariffs of more than 10%, seeking to know what is going to be their offer in addressing the US "reciprocal" tariffs, said a participant, who asked not to be quoted.

"Anyone that was on 10% didn't get a letter, while anyone that had 21% like Vanuatu or Fiji, got the letter," the participant said.

Countries like India, the EU, Lesotho, and Vietnam would have received the letters, the participant added.

Cairns Group

A day before the informal WTO ministerial meeting, trade ministers of the Cairns Group of farm-exporting countries held a meeting on the margins of the OECD ministerial meeting on 2 June.

The Cairns Group comprises Argentina, Australia, Brazil, Canada, Chile, Colombia, Costa Rica, Malaysia, New Zealand, Paraguay, Peru, Philippines, South Africa, Thailand, Ukraine, Uruguay, and Vietnam.

In a joint statement, the trade ministers of the Cairns Group reiterated their "support for the rules-based, non-discriminatory, open, fair, inclusive, predictable and transparent multilateral trading system with the WTO at its core which has served the global economy well for decades."

The trade ministers said that they recognize the "ongoing tensions in the multilateral trading system and the challenges and uncertainties this is creating in their economies."

The trade ministers said they "discussed the potential impact on agricultural trade caused by tariff and non-tariff measures."

The Cairns Group emphasised "the importance of the adherence to multilaterally agreed trade rules and principles and scheduled commitments, and called on all WTO Members to work together to strengthen the multilateral rules-based trading system."

The US has disregarded the sanctity of the scheduled commitments by imposing its unilateral tariffs against countries.

The WTO Secretariat 2025 Global Trade Outlook and Statistics report noted the outlook for global trade "has deteriorated sharply due to a surge in tariffs and trade policy uncertainty," the Cairns Group trade ministers said.

According to the joint statement, some Members "expressed concern about the rise in tariffs and political and economic spillovers."

The trade ministers said that "agricultural trade remains particularly affected by trade and production distorting subsidies, tariffs, and other barriers."

The Cairns Group "reaffirmed its enduring commitment to achieving greater fairness and a levelling of the playing field in agriculture through ambitious and comprehensive agricultural trade reform, in line with Article 20 of the Agreement on Agriculture (AoA)."

"We call on all WTO Members to intensify efforts to make meaningful progress on all three pillars of the AoA - domestic support, market access and export competition. Reversing commitments made since the Uruguay Round would be unacceptable and inconsistent with the mandate of Article 20," said the joint statement.

However, the Cairns Group's alleged failure to acknowledge the mandated issues and the Doha agriculture agenda has seemingly eroded its credibility, said a non-Cairns Group member, who asked not to be quoted.

In the lead-up to the WTO's 14th ministerial conference (MC14), which will take place in less than 12 months in Yaounde, Cameroon, the Cairns Group said that it has been exploring "all options for an agricultural trade reform package, in particular through detailed negotiations with the African Group."

"We recognise that frank and open discussions like these provide the best possible chance of developing a reform package for MC14 and beyond," the Cairns Group said.

The Cairns Group "acknowledged the importance of robust rules for agricultural trade to address global inequality, provide sustainable economic development opportunities, and address overall global food security."

It called on WTO members to do more "in advancing agricultural trade reform to address global food insecurity and environmental challenges facing all WTO members."

The Cairns Group emphasized that "sustainable, efficient, and resilient agricultural trade and production is vital for improving food security, economic development, and environmental outcomes."

"As we approach MC14," the trade ministers called on "WTO members to seek alignment on collective action for agricultural trade reform to support sustainable agriculture, economic development and food security."

The Cairns Group remained concerned about "the potential impact on agriculture of unilateral trade-related environmental measures undertaken by some WTO Members", such as the EU.

"These measures must be necessary and must not be designed for protectionist purposes and not amount to unjustified trade restrictions, impose excessive compliance costs, or constitute a means of arbitrary or unjustifiable discrimination," it said.

The Cairns Group recognized that given the "unique agricultural production circumstances," there will "never be a "one-size-fits-all" approach for improving sustainability outcomes." *(SUNS #10236)*

Third World ECONOMICS No. 819-820, 16 May -15 June 2025

Ministers differ on WTO reforms at informal Paris meeting

An informal World Trade Organization (WTO) ministerial meeting in Paris on 3 June saw sharp differences of view on how to reform the global trade body.

by D. Ravi Kanth

GENEVA: Several trade ministers, including the United States Trade Representative (USTR), at an informal meeting in Paris on 3 June, appear to have presented their respective but differing assessments on how to reform the World Trade Organization, with Washington raising fundamental concerns about the current practice of decision-making by consensus, said people familiar with the development.

The USTR, Ambassador Jamieson Greer, is understood to have raised several issues including overcapacity in certain sectors like steel, the alleged failure of the WTO's negotiating function based on the principle of consensus-based decision-making, and special and differential treatment (S&DT) flexibilities, said a person, who participated in the meeting.

The principle of consensus-based decision-making is at the heart of the Marrakesh Agreement that established the WTO in 1995, and in the recent past, several countries, including the US have demanded other forms of consensus, including the notion of "responsible consensus".

The informal WTO meeting, convened by Australia on the margins of the annual ministerial meeting of the Paris-based Organization for Economic Cooperation and Development (OECD), highlighted the contrasting views of industrialized countries on the one side, and developing countries, on the other, on the issue of WTO reforms, the participant said.

In its annual forecast of global economic prospects, the OECD has painted a rather bleak picture on account of US President Donald Trump's ongoing global trade war, projecting global economic growth at 2.9 percent in 2025 and 2026.

"We are invited by Australia to be able to talk to each other [about] the possible reforms to the WTO," the WTO's Director-General, Ms Ngozi Okonjo-Iweala, told reporters prior to the informal ministerial meeting on 3 June.

However, there is little or no convergence of views on how the WTO reforms are to be carried out, said another participant, who asked not to be quoted.

At the meeting, India's trade minister Piyush Goyal apparently raised eight points revolving around strengthening the multilateral trading system and the need to respect past mandates.

He said the self-designated S&DT is a treaty provision and should not be changed.

While highlighting the dangers posed by non-market economies, Mr Goyal argued that plurilateral initiatives are not in the collective interests of the WTO membership, according to the participant.

Trade ministers from some industrialized countries seem to have shared some of the concerns raised by the USTR over consensus-based decision-making and the S&DT framework, the participant said.

Before the meeting, the DG bemoaned that the multilateral trading system has been disrupted in a way it hasn't been before.

She said: "And when you have this kind of disruption, you ask yourself, what is it that needs to be reformed about the WTO? What is it that developing countries like India don't like? Let them put that on the table. What is it that the US doesn't like? Put that on the table. What do Africans not like? Put that on the table. Let's collect this. And then let's try to reform it."

Trade ministers from around 20 countries are understood to have taken part in the meeting, discussing what ought to be the "deliverables" for the upcoming WTO's 14th ministerial conference (MC14), to be held in Yaounde, Cameroon in March 2026, on which there is little or no clarity at this juncture, said people who asked not to be quoted.

The DG participated in the meeting to drive home the priorities for MC14, particularly on the proposed WTO reforms, said people who asked not to be quoted.

The informal WTO ministerial meeting in Paris was the first opportunity for the new USTR to interact with ministers on several issues, including on the fears being expressed over the continued uncertainty and unpredictability in the multilateral trading system due to the "reciprocal" tariffs being imposed by the Trump administration, said people familiar with the meeting.

Aside from the WTO meeting, Ambassador Greer is understood to have discussed with several countries about expediting their response in terms of what they are ready to agree to concerning the "reciprocal" tariffs, said people who asked not to be identified.

The USTR appears to have sent letters to all major trading partners reminding them about the 90-day pause on the imposition of "reciprocal" tariffs, whose deadline is set to expire in early July.

The USTR, as well as the US Commerce Secretary Howard Lutnick, are simultaneously holding talks "with many of our key trading partners around the globe," the White House confirmed on 3 June.

WTO reforms

On the issue of WTO reforms, which is a priority area for several industrialized countries, including the US, a recent report issued by the USTR on the 2025 Trade Policy Agenda noted that "serious efforts aimed at improving the WTO's negotiating arm have been replaced by an unambitious focus on improving a few committee procedures - a lowest-common-denominator effort that was given the fittingly vacuous slogan "reform by doing"."

The USTR's report also pointed out that "waiving intellectual property rights under the TRIPS Agreement for COVID-19 vaccines, as well as the conclusion of a weak agreement on fisheries subsidies, show that rather than boldly tackling global challenges, the WTO is prisoner to its lowest-common-denominator."

For several developing countries, the WTO reforms based on the proposals mooted by the US and the "Friends of the System" Group, such as differentiation among developing countries for availing of S&DT and the discontinuation of the practice of consensus-based decision-making are unacceptable, said people familiar with the discussions.

Further, the proposed US "reciprocal" tariffs were also highlighted by some countries, albeit somewhat indirectly, particularly on the uncertainty they have caused to the global trading system, said people who asked not to be quoted.

Recently, the DG and the chair of the WTO's General Council floated a joint proposal containing some ideas on the reform of the WTO.

The proposals included: (1) "Level playing field issues"; and (2) "Negotiating function reform" [which involves doing away with the principle of consensus-based decision-making and differentiation among developing countries for availing of S&DT – both demanded by the US and several other industrialized countries.]

For many participants at the Paris meeting, the restoration of a fully functioning two-tier dispute settlement system is a priority, though the US remains vehemently opposed to such a system, including an appeal/review mechanism, said people who asked not to be quoted.

On the issue of agriculture, there was no consensus among the countries on what ought to be the key "deliverables" at MC14.

Several developing countries, including India and Indonesia, as well as some African countries flagged their core issues such as public stockholding (PSH) programs for food security and other unresolved issues, said people who asked not to be quoted.

The DG apparently urged India to support the proposal to incorporate the Investment Facilitation for Development Agreement (IFDA) into Annex 4 of the WTO Agreement (dealing with plurilateral agreements), an issue that India has consistently opposed at the WTO since 2016, said people familiar with the development.

India along with Turkiye and South Africa have refused to join the consensus on IFDA on both systemic and procedural grounds.

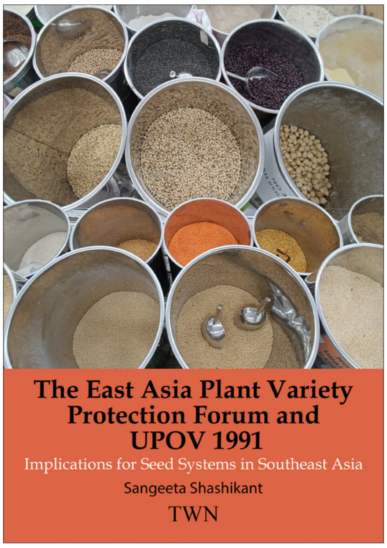
Before the informal ministerial meeting in Paris, the DG said, "we need India as a leader," adding that "India is a leading country, and India is doing well."

She told reporters, "so, India needs to open the way for other developing countries. For example, on investment facilitation for development, we want it to support, because so many developing countries – 90 out of the 126 who are members – would like to move with this." *(SUNS #10235)*

The East Asia Plant Variety Protection Forum and UPOV 1991

Implications for Seed Systems in Southeast Asia

Sangeeta Shashikant



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THIS paper critically examines the growing pressure on Southeast Asian (SEA) countries to adopt the rigid 1991 Convention of the International Union for the Protection of New Varieties of Plants (UPOV 1991) designed for the commercialized farming structures of industrialized nations.

It reveals how the East Asia Plant Variety Protection Forum, initiated by Japan under the guise of cooperation, has evolved into a key platform for aggressively promoting UPOV 1991 standards, sidelining national agricultural priorities and farmers' rights. Through detailed analysis, the paper exposes the commercial motivations driving this agenda and the pivotal role of developed countries and their allied entities, who stand as the primary beneficiaries of the UPOV system and regional harmonization based on it. It highlights how the Forum's pro-UPOV activities threaten to erode national sovereignty, undermine food security, and entrench a rigid, inappropriate plant variety protection (PVP) system across the region – one designed to serve the commercial interests of Japan and other developed nations, particularly the Netherlands, Germany, France and the United States.

It calls on SEA countries to critically reassess their participation in the Forum, advocate for meaningful reforms to safeguard their policy space, and, if necessary, withdraw to protect their national interests and ensure implementation of a PVP system that is aligned with domestic agricultural needs and that safeguards the interests of farmers and food sovereignty.

Available at: https://twn.my/title2/books/EAPVP_Forum_and_UPOV_1991.htm

Third World ECONOMICS No. 819-820, 16 May -15 June 2025

Thailand: "Ever-greening" patents – the case of TB drug Bedaquiline

The case of Bedaquiline, a key drug in treating multi-drug-resistant tuberculosis (TB) in Thailand, is just one illustration of how multinational pharmaceutical companies have used the practice of "ever-greening" patents to extend their drug monopolies.

by Kanaga Raja

PENANG: The practice of "ever-greening" patents has always been a "common trick" used by multinational pharmaceutical companies to extend their monopolies, with the case of Bedaquiline, a key drug in treating multi-drug-resistant tuberculosis (TB) in Thailand, being just one such example, according to the Thai Network of People Living with HIV/AIDS (TNP+).

In a post on its website on 27 May, the Make Medicines Affordable (MMA) campaign, led by the International Treatment Preparedness Coalition (ITPC) and partners, quoted Chalermsak Kittitrakul, TNP+'s Project Manager for Access to Medicines, as saying: "Ever-greening has always been used as a common trick by multinational pharmaceutical companies to extend their monopolies that hinders the public's access to essential medicines."

"This tactic also causes heavy and unnecessary workload on the DIP's [Thai Department of Intellectual Property] patent examiners," he said.

"The case of Bedaquiline is just one example, where a single drug has multiple patent applications to extend the unjustified monopolies," Kittitrakul pointed out.

[Filing multiple patent applications is a common strategy used by pharmaceutical companies to block generic competition. In the absence of opposition and weak examination by patent offices, 20-year patent monopolies are often granted for each application.]

According to MMA, for over five years, the Thai Network of People Living with HIV/AIDS (TNP+) and AIDS Access Foundation have been advocating for the removal of barriers to access to multi-drug-resistant tuberculosis (MDR TB) drugs by filing oppositions to patent applications for a MDR TB medicine known as "Bedaquiline" in Thailand.

It said that after long efforts, patent applications have been rejected and there is now no patent barrier to the drug Bedaquiline in Thailand, allowing the country to import generic versions at an affordable price and provide it to patients under the national health insurance schemes at no cost.

Providing some background, MMA said Janssen Pharmaceuticals N.V., wholly owned by Johnson & Johnson (J&J), filed five patent applications for Bedaquiline in Thailand, the first of which was for the base compound, which was granted and later expired in June 2023, while the other four were "ever-greening" patent applications.

It said in 2020, AIDS Access Foundation and TNP+ filed information with the Thai Department of Intellectual Property (DIP) to oppose and request that all four patent applications be rejected.

In June 2023, the Department of Intellectual Property decided to reject (thus not accept) two patent applications, which were applications filed for the use of Bedaquiline for the treatment of multi-drug-resistant TB and latent TB. However, in September 2023, J&J appealed the decision, according to the MMA post.

The DIP ruled on the appeal in February 2024, upholding the first ruling and dismissing both applications as they did not qualify for patents under Thai law.

According to MMA, this ruling is final and if J&J disagrees, the company may file a lawsuit with the Intellectual Property Court.

It said in April 2024, J&J decided to drop the other two applications, which were related to the fumarate salt and the pediatric formulation of Bedaquiline.

MMA pointed out that the drug Bedaquiline has been approved for inclusion in the National List of Essential Medicines for the treatment of multi-drug-resistant TB since 2019.

It said that from 2020 to 2024, Thailand's national health insurance systems purchased and imported the original Bedaquiline from J&J at an average cost of 35,672 baht per six-month treatment (about USD 1,100) for 724 patients per year on average. However, from 2024 to 2025, J&J reduced the price to 11,734 baht per treatment.

It said from 2025 to 2026, Thailand was able to purchase generic Bedaquiline from India for only 5,348 baht per treatment (about USD 160), increasing access to treatment in Thailand to almost 1,000 cases per year.

In its post, MMA has quoted Mr Kittitrakul of TNP+ as saying: "The civil society's movement on opposing the patent applications for Bedaquiline started at the 50th Union World Conference on Lung Health in Hyderabad, India in 2019."

"Civil society representatives from various countries met and agreed to join hands in campaigning for access to the drug for multi-drug-resistant tuberculosis called "Bedaquiline" by filing oppositions to the patent applications related to Bedaquiline," he added.

Kittitrakul noted that in the following years, oppositions began to be filed in India, Brazil, Thailand, Ukraine, Belarus, Moldova, Kyrgyzstan, Vietnam, and Indonesia.

"The Intellectual Property Department's ruling indicated that both applications did not violate Section 9(4) of the Patent Act, which does not grant patents to inventions on methods of diagnosis, treatment or cure of human and animal diseases," he said.

He said: "It was one of the main arguments that civil society used to cite in order to reject the applications. But the Department rejected both the applications, citing that they violated Sections 5(1) and (2) because they were not "new inventions" and were not "inventions with an inventive step"."

"The chemicals referred to in the applications were chemicals that had been previously disclosed. The treatments of drug-resistant TB and latent TB with the same group of drugs had also been disclosed before," he noted.

"This invention is still a process of

using the same compounds to produce drugs to treat tuberculosis as before, and it is still a composition of drugs with the same compounds to treat new diseases only," said Kittitrakul.

The Department's ruling is consistent with the information and reference documents that civil society submitted to consider rejecting the applications, the social activist pointed out.

"Although Bedaquiline is not patented in the country and we can import or manufacture it, we found that J&J filed an additional application in late 2024 for the long-acting formulation of Bedaquiline," said Kittitrakul.

TNP+ submitted a letter and information to the Department of Intellectual Property, asking the Department to consider rejecting the patent application because it is an application against the Thai patent law and does not qualify for patent protection, he added.

"Ever-greening has always been used as a common trick by multinational pharmaceutical companies to extend their monopolies that hinders the public's access to essential medicines. This tactic also causes heavy and unnecessary workload on the DIP's patent examiners. The case of Bedaquiline is just one example, where a single drug has multiple patent applications to extend the unjustified monopolies," Kittitrakul stressed.

"Many of these ever-greening patent applications seek patent protection on the therapeutic methods, which is clearly against our law," he further said.

"However, the applications are written deceptively in a way that makes it look like they are not for therapeutic use. And they also include claims of chemical compounds and manufacturing processes that were previously stated in other applications already filed or publicly disclosed," Kittitrakul explained in the MMA post.

According to Kittitrakul, this is just to make it "confusing" and a waste of time to examine.

"These disqualified patent applications should be rejected from the earliest stages of consideration, and not allowed to remain in the process," Kittitrakul suggested.

He said the current patent system has been abused repeatedly and does not truly promote innovation and access to medicines, but rather allows the multinational pharmaceutical industry to exploit it to increase their monopoly and make a profit on people's lives and health.

"This system creates and extends inequalities in access to medicines and should be reformed by taking public health interests before trade benefits," said Kittitrakul in the MMA post. *(SUNS #10237)*

Over 295 million in 53 countries facing high levels of acute hunger

Driven by conflict, economic shocks, climate extremes, and forced displacement, 295.3 million people across 53 countries and territories faced high levels of acute food insecurity in 2024, according to a new report.

by Kanaga Raja

PENANG: In 2024, 295.3 million people across 53 countries and territories faced high levels of acute food insecurity, an increase of 13.7 million from 2023, and marking the sixth consecutive annual increase, according to the Global Report on Food Crises (GRFC).

More alarmingly, the report said the number of people facing catastrophic hunger (IPC/CH Phase 5) more than doubled over the same period to reach 1.9 million – the highest on record since the GRFC began tracking in 2016.

The report found that conflict, economic shocks, climate extremes, and forced displacement continued to drive food insecurity and malnutrition around the world, with catastrophic impacts on many already fragile regions.

Malnutrition, particularly among children, reached extremely high levels, including in the Gaza Strip, Mali, Sudan, and Yemen, said the report, adding that nearly 38 million children under five were acutely malnourished across 26 nutrition crises.

The report further pointed to a sharp increase in hunger driven by forced displacement, with nearly 95 million forcibly displaced people - including internally displaced persons (IDPs), asylum seekers and refugees – living in countries facing food crises such as the Democratic Republic of the Congo, Colombia, Sudan, and Syria, out of a global total of 128 million forcibly displaced people.

According to the GRFC, published by the Global Network Against Food Crises (GNAFC) with analysis from the Food Security Information Network (FSIN), hunger shocks will likely persist into 2025, as it anticipates the most significant reduction in humanitarian funding for food and nutrition crises in the report's history.

Some 231.2 million people are expected to face high levels of acute food insecurity in 37 countries/territories in 2025, corresponding to 21.5 percent of the analysed population, based on data available by 12 May 2025, it said.

"This Global Report on Food Crises is another unflinching indictment of a world dangerously off course," said United Nations Secretary-General Antonio Guterres.

"Long-standing crises are now being compounded by another, more recent one: the dramatic reduction in life-saving humanitarian funding to respond to these needs."

"This is more than a failure of systems – it is a failure of humanity. Hunger in the 21st century is indefensible. We cannot respond to empty stomachs with empty hands and turned backs," said Guterres.

Cindy McCain, Executive Director of the United Nations World Food Programme (WFP), said: "Like every other humanitarian organization, WFP is facing deep budget shortfalls which have forced drastic cuts to our food assistance programs. Millions of hungry people have lost, or will soon lose, the critical lifeline we provide. We have tried and tested solutions to hunger and food insecurity. But we need the support of our donors and partners to implement them."

Catherine Russell, Executive Director of the UN Children's Fund (UNICEF), said: "In a world of plenty, there is no excuse for children to go hungry or die of malnutrition. Hunger gnaws at the stomach of a child. It gnaws, too, at their dignity, their sense of safety, and their future. How can we continue to stand by when there is more than enough food to feed every hungry child in the world? How can we ignore what is happening in front of our eyes? Millions of children's lives hang in the balance as funding is slashed to critical nutrition services."

Global overview

According to the report, a joint initiative of several UN agencies and their partner organizations, the number of people in need of urgent food and livelihood assistance rose by almost 5 percent, or 13.7 million people, from 281.6 million in 59 countries/territories in 2023 to 295.3 million in 53 countries/territories in 2024.

In East Africa, in the Sudan, an additional 5.3 million people faced high levels of acute food insecurity, bringing the total to 25.6 million, or 54 percent of its population, largely due to the impacts of the devastating conflict, the report said.

It had the highest number of people facing Emergency (IPC Phase 4), at over 8 million, and the second highest in Catastrophe (IPC Phase 5), at 0.8 million.

The report said while the food crises in Ethiopia and Uganda's Karamoja region also worsened, in Kenya, food security improved markedly due to better climatic conditions that improved food production.

It said in West Africa and the Sahel, in Nigeria, an additional 6.9 million people faced high levels of acute food insecurity, bringing the total to 31.8 million, due to a resurgence and expansion of conflicts, high inflation and increased analysis coverage.

"Chad saw a 47 percent increase in the number of people facing high levels of acute food insecurity linked to conflict-related population displacement, flooding and high food prices, while high inflation drove an increase in Sierra Leone."

In Asia, the number of people facing high levels of acute food insecurity in Myanmar increased by 3.7 million to reach 14.4 million due to intensifying conflict and severe flooding and landslides, said the report.

Although the number decreased by 4.1 million in Afghanistan, attributable to humanitarian food and agriculture assistance, good harvests and reduced inflation, 15.8 million people still faced Crisis or worse (IPC Phase 3 or above), it added.

In Southern Africa, El Nino-induced drought, macroeconomic instability and limited livelihood opportunities drove sharp increases in Zimbabwe and Malawi, with 1.5 million and 1.3 million more people facing high levels of acute food insecurity in the two countries, respectively.

Almost 2 million people in five countries/territories were estimated or projected to be in Catastrophe (IPC/CH Phase 5) in 2024 - the highest number since GRFC reporting began, and more than double the number of 2023, said the report.

It said that in this phase of acute food insecurity, urgent and immediate action, including large-scale and multi-sectoral response and protected humanitarian access is needed to prevent further death and prevent/reverse total collapse of livelihoods.

In the Sudan, the population facing Catastrophe (IPC Phase 5) increased from zero in 2023 to 755,300 in 2024.

The report said that this deterioration underscores how rapidly conflict can drive acute food insecurity to reach famine levels, unprecedented in the history of the Integrated Food Security Phase Classification (IPC) and GRFC for this country.

Around 79,000 people were estimated to be in Catastrophe (IPC Phase 5) in South Sudan during the April-July 2024 lean season in Jonglei and Northern Bahr el Ghazal states. Some 28,000 of them were returnees from the Sudan. This number was up from the 43,000 reported in the same period in 2023, it added.

In Haiti, around 5,600 internally displaced persons (IDPs) in the metropolitan area of Port-au-Prince were estimated to be facing Catastrophe (IPC Phase 5) between August 2024 and February 2025, up from none in 2023.

It said that the resurgence of civil insecurity at the beginning of 2024 contributed to a major deterioration in the humanitarian situation, causing extensive displacement.

Around 2,600 people were projected to face Catastrophe (CH Phase 5) in the Menaka region of Mali in June-August 2024, mostly due to heightened insecurity significantly constraining humanitarian access.

The GRFC said over 35.1 million people in 36 countries/territories experienced Emergency (IPC/CH Phase 4) in 2024.

It said populations in this phase need large-scale and urgent action to reduce food consumption gaps and prevent livelihood collapse, starvation and further acute malnutrition and death.

The GRFC said in 2024, 3.5 percent of the analysed population in 40 countries/territories were in this phase.

"Palestine (Gaza Strip) had by far the highest share of its population (38 percent) in IPC Phase 4, followed by South Sudan (19 percent), the Sudan (18 percent) and Haiti (18 percent)."

While the total number of people in this phase was lower than in 2023 (-1 .3 million), some countries/territories faced increases, the report noted.

In the Sudan, which already had the largest number of people in IPC Phase 4 in 2023, the number increased by more than 2 million people, while in Chad, the population in CH Phase 4 more than doubled, it said.

Meanwhile, Kenya saw the most significant improvement, with the number of people in this phase decreasing from 1.2 million in 2023 to fewer than 0.3 million in 2024. Afghanistan had around 2.5 million fewer people in this phase, almost half that of 2023.

Around 190 million people in 40 countries/territories experienced Crisis (IPC/CH Phase 3) in 2024, the report said.

Populations in this phase also require urgent action to protect livelihoods and reduce food consumption gaps.

In 2024, 190 million people faced IPC/CH Phase 3, corresponding to 19 percent of the population analysed in these 40 countries. The prevalence was marginally higher than in 2023 (18 percent).

In Nigeria, the Democratic Republic of the Congo and Bangladesh, nearly all the people who faced high levels of acute food insecurity were in IPC/CH Phase 3, said the GRFC.

More than 30 percent of the analysed population of Central African Republic, Haiti, Namibia, South Sudan, the Sudan, Yemen (Government of Yemen (GoY)-controlled areas) and Zambia were in IPC Phase 3.

The GRFC also said around 344.7 million people in 39 countries experienced Stressed (IPC/CH Phase 2) in 2024.

Populations in this phase are vulnerable to shocks and require support to reduce risks related to disasters and to protect their livelihoods, it explained.

The share of analysed population in IPC/CH Phase 2 increased from 32 percent in 2023 to 35 percent in 2024.

This represents a deterioration as it occurred in parallel with a reduction in the share of analysed population in IPC/CH Phase 1 - from 46 percent in 2023 to 41 percent in 2024, said the report.

Among the countries with larger populations in IPC/CH Phase 2, Nigeria had almost 83 million people, followed by the Democratic Republic of the Congo with 51 million and Bangladesh with over 33 million.

Out of the 40 countries/territories with available disaggregated data, 32 countries had more than a quarter of their analysed population in this phase, marking a deterioration from 2023, when this was the case in 28 countries, the GRFC said.

The ten countries with the largest number of people facing high levels of acute food insecurity each had more than 9 million in IPC/CH Phase 3 or above or equivalent in 2024, it pointed out.

The ten countries are Nigeria, Sudan, the Democratic Republic of the Congo, Bangladesh, Ethiopia, Yemen, Afghanistan, Myanmar, Pakistan and the Syrian Arab Republic, according to the report.

The GRFC said they accounted for more than 196 million people or 66 percent of the overall number of 295.3 million people facing high levels of acute food insecurity in the 53 countries/territories with data meeting GRFC technical requirements in 2024.

Nigeria, the Sudan and the Democratic Republic of the Congo had the largest populations in IPC/CH Phase 3 or above. The three of them accounted for more than a quarter (28 percent) of the aggregate number.

Afghanistan, the Democratic Republic of the Congo, Ethiopia, Nigeria, Syrian Arab Republic and Yemen have consistently been among the countries with the largest numbers since 2016, the report noted.

Among the 53 countries/territories with data meeting GRFC technical requirements, 37 had over 1 million people in IPC/CH Phase 3 or above or equivalent, it said.

Key drivers

According to the report, in 2024, the predominant drivers of acute food insecurity were the intensification of the conflicts in Palestine (Gaza Strip), the

Sudan, Lebanon, Myanmar and Nigeria, and the climatic shock of El Nino, especially in Southern Africa.

Conflict/insecurity was the primary driver in 20 countries/territories where 139.8 million people faced high levels of acute food insecurity, it said.

"Conflict/insecurity remained the primary driver in 17 of the same countries/territories as 2023. It became the main driver in Colombia, Lebanon and Togo."

Four of the ten largest food crises in terms of magnitude (Nigeria, the Democratic Republic of the Congo, the Sudan and Myanmar) and four of the ten largest in terms of prevalence (the Sudan, Palestine (Gaza Strip), Haiti and the Central African Republic) were primarily driven by conflict/insecurity, it added.

Although South Sudan had economic shocks as the primary driver, conflict in the Sudan was the main driver for 31,000 returnees facing Catastrophe (IPC Phase 5) levels of acute food insecurity, it underlined.

Out of the 35.1 million people in Emergency (IPC/CH Phase 4), 20.1 million were in countries/territories where conflict was the primary driver, said the GRFC.

Thirteen of the 20 primarily conflict-driven food crises were in the Middle East, and West Africa and the Sahel.

The report said conflict is a devastating driver of acute food security, with significant impacts on households' capacities to produce and/or access food.

"Around one in eight people around the world were estimated to have been exposed to conflict in 2024, with a 25 percent increase in political violence incidents recorded between the start and end of the year."

The vast majority of the 50 countries with the highest conflict index ranking were low-income and lower-middle-income countries, and 39 of them were among the 65 selected for the 2025 GRFC, it added.

Myanmar, one of the countries with the worst food crises in 2024, faced widespread conflict with an average of 170 non-state armed groups (NSAGs) active each week, while Ukraine remained the deadliest conflict in terms of number of fatalities, said the report.

However, it said when looking at displacement and acute food insecurity figures, the conflict in the Sudan was the most devastating.

More than 12.3 million Sudanese - over a third of the pre-conflict population - were internally displaced or had crossed borders to seek refuge or to return to their places of origin by the end of 2024, with profound impacts on households' ability to access and produce food, it added.

In Haiti, gangs have seized control of much of the Port-au-Prince Metropolitan Area and several other regions, disrupting livelihoods, markets and access to food, it noted.

In 2024 alone, violence involving gangs killed more than 4,500 people, displaced 700,000 and left almost half of Haitians facing high levels of acute food insecurity.

Weather extremes were the primary driver in 18 countries where 96.1 million people faced high levels of acute food insecurity, according to the GRFC.

While the same number of countries had weather extremes as the primary driver as in 2023, their extent and impact increased significantly during 2024, with an additional 24.2 million people facing high levels of acute food insecurity, it said.

"Weather extremes were considered the secondary or tertiary driver in another 29 countries with food crises."

In 2024, 96.1 million people faced high levels of acute food insecurity in 18 countries where weather extremes were the primary driver. In 12 of these countries, 7.3 million people faced IPC/CH Phase 4.

The report said average air temperatures over land hit an all-time high in 2024, boosted by a warming El Nino event, reaching 1.2 degrees C above the 1995-2005 average. Thirty-four countries set new maximum temperature records.

In 2024, precipitation extremes also increased. Water-related disasters caused extensive damage, with climate change contributing to increased severity of floods, droughts and cyclones, it added.

Asia experienced a strong monsoon and Cyclone Yagi, which affected a number of countries in Southeast Asia in September 2024 including Myanmar, was the strongest to strike the region in decades.

The El Nino event, which reached its peak intensity in late 2023 through to mid-2024, drove many of the weather extremes in 2024, bringing hotter and drier-than-normal conditions across many regions, the GRFC noted.

"In Southern Africa, the 2023-2024 El Nino-induced drought led to widespread harvest failure and livestock deaths."

Over large parts of Madagascar, Malawi, Mozambique, Namibia, Zambia and Zimbabwe, a long and extensive dry spell affected crops at the time when moisture was most critical for plant development, said the GRFC.

Economic shocks were the primary driver in 15 countries where 59.4 million people faced high levels of acute food insecurity, it further said.

Compared with 2023, this marks a decrease from 21 countries where 75.2 million people faced high levels of acute food insecurity, although still more than double the number of people in 2019 before the economic impacts of COVID-19, it added.

In 2024, 59.4 million people faced high levels of acute food insecurity in 15 countries where economic shocks were the primary driver.

In 11 of them, 7.8 million people faced IPC/CH Phase 4, and 79,000 people were in Catastrophe (IPC Phase 5) in South Sudan, said the report, noting that some of them were returnees from the Sudan and primarily affected by the conflict there.

It said economic shocks were considered the secondary driver in 25 countries/territories and the tertiary driver in 7 countries/territories.

In 2024, global economic growth was weak by historical standards and well below the 3.1 percent average in the decade before COVID-19, the GRFC noted.

Growth prospects for 2025, even before the turmoil of the early months of the year, had been deemed insufficient to offset the damage done to the global economy by years of successive negative shocks, it said.

Despite monthly increases for most of 2024, primarily driven by dairy, meat and vegetable oil prices, the FAO Food Price Index in 2024 was below 2023 levels but higher than pre-COVID-19 levels, it added.

It said disruptions to production and shipping of commodities, especially oil, as well as conflicts, civil unrest and extreme weather events led to downward revisions to the economic outlook for the Middle East and Central Asia and for sub-Saharan Africa. *(SUNS#10224)*

Funding cuts risk deepening acute food insecurity, says report

Abrupt cuts to humanitarian funding in 2025 risk deepening acute food insecurity in several vulnerable countries.

by Kanaga Raja

PENANG: The abrupt termination of funding in 2025 has disrupted operations, including in Afghanistan, the Democratic Republic of the Congo, Ethiopia, Haiti, South Sudan, the Sudan and Yemen amid substantial reductions by major donors, according to the Global Report on Food Crises (GRFC).

Funding to humanitarian food sectors is projected to drop by up to 45 percent, risking a deepening of acute food insecurity, it warned.

Nutrition services to at least 14 million children are at risk, leaving them vulnerable to severe malnutrition and death, it said.

Reductions in official development assistance will impact government fiscal capacities to support vulnerable populations, particularly in low-income countries, it added.

Data collection on the food security and nutrition status of vulnerable populations will also be affected, said the GRFC.

In other key findings, the report said in 2024, 295.3 million people across 53 countries and territories faced high levels of acute food insecurity, an increase of 13.7 million from 2023, and marking the sixth consecutive annual increase.

More alarmingly, the report said the number of people facing catastrophic hunger (IPC/CH Phase 5) more than doubled over the same period to reach 1.9 million – the highest on record since the GRFC began tracking in 2016.

The report found that conflict, economic shocks, climate extremes, and forced displacement continued to drive food insecurity and malnutrition around the world, with catastrophic impacts on many already fragile regions.

According to the report, published by the Global Network Against Food Crises (GNAFC) with analysis from the Food Security Information Network (FSIN), between 2016 and 2024, the share of the analysed population facing high levels of acute food insecurity in countries/territories with food crises nearly doubled from 11.4 percent to 22.6 percent while the number of people more than tripled.

While official funding to food sectors - including humanitarian and development assistance - was increasing up to 2022, it had not kept pace with growing needs and failed to reverse deepening hunger, it said.

Food sectors in countries/territories with food crises received only 3 percent of global development allocations - compared with 33 percent of global humanitarian allocations, the GRFC pointed out.

The report said that this suggests that financial allocations primarily target the symptoms of food crises, rather than mitigating their drivers or the structural factors that increase vulnerability and limit capacities to recover, whether at the household, community or country level.

"This is particularly true in protracted food crises where development allocations to food sectors are marginal."

Between 2016 and 2024, an average of 85 percent of humanitarian funding to food sectors in countries with food crises was directed to food assistance (cash and in-kind) .

The report said the remainder went in support of nutrition programmes (12 percent) and emergency assistance to agriculture (3 percent).

After a record allocation of US$15.8 billion in 2022, humanitarian assistance to food sectors declined by 30 percent in 2023, and again in 2024, it pointed out.

Uncertainty in 2025

The funding outlook for development and humanitarian assistance in 2025 and beyond has sharply deteriorated, threatening global partnerships towards sustainable development, said the report.

The abrupt termination of funding in early 2025, amid substantial reductions in funding by major donors, has led to closures and disruptions of humanitarian operations in some of the world's largest and most severe food crises, including Afghanistan, Democratic Republic of the Congo, Ethiopia, Haiti, South Sudan, the Sudan and Yemen, it noted.

"Between 2016 and 2024, around 90 percent of humanitarian funding to the food sectors in countries with food crises came from 16 donors, 75 percent from four, and half from the United States of America."

Changes to funding allocations by any of them can have an important impact on the delivery of critical lifesaving and livelihood-saving assistance, the report warned.

The GRFC said if donor funding does not increase from current projections, humanitarian allocations to food sectors in countries/territories with food crises could fall by as much as 45 percent in 2025 with severe impacts on vulnerable populations.

Delivery of food assistance could drop significantly in 2025, including in countries/territories with the largest food crises like Afghanistan, Yemen and Somalia.

This risks pushing people currently receiving assistance into more severe forms of acute food security, said the report.

Reductions in official direct assistance – and the associated foreign exchange – also pose broader macroeconomic risks, undermining fiscal capacity and threatening currency stability and access to essential imports, it said.

It said an analysis on Malawi showed that while some macroeconomic impacts, especially losses in foreign exchange, may be mitigated by policy measures, the broader decline in welfare is likely to have far-reaching effects, including increases in poverty and malnourishment.

Nutrition programmes are also underfunded, with one in four countries facing shortfalls of 75 percent or more, said the report.

Just 51 percent of financial

assistance for nutrition interventions in humanitarian emergency contexts were met in 2024.

Globally, at least 14 million children are expected to face disruptions to nutrition support and services because of funding reductions, leaving them at heightened risk of severe malnutrition and death, the GRFC warned.

It also said that funding reductions risk affecting the availability, quality and frequency of data on acute food insecurity, malnutrition and displacement.

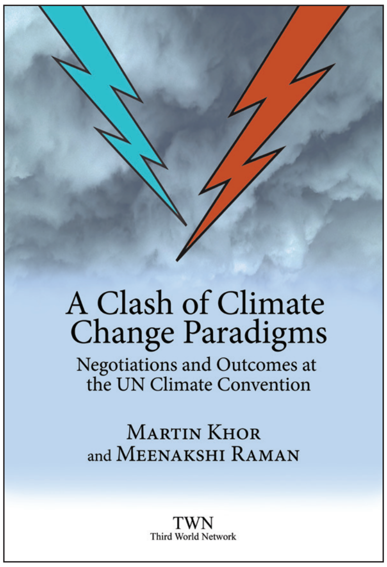
Lack of information on the people, communities and countries that are affected by food crises limits the capacity of organizations to anticipate, identify and respond to humanitarian needs, it explained.

Discontinuity of datasets, such as the Famine Early Warning Systems Network (FEWS NET), risks losing bodies of knowledge that informed current action, the report concluded. *(SUNS #10227)*

A Clash of Climate Change Paradigms

Negotiations and Outcomes at the UN Climate Convention

by **Martin Khor** and **Meenakshi Raman**



ISBN: 978-967-0747-41-5
320 pages

Climate change is the biggest problem facing humanity and the Earth. To address it requires fundamental changes to economies, social structures, lifestyles globally and in each country.

International cooperation is crucial. But to achieve this is difficult and complex, because there are many contentious issues involved, not least the respective roles and responsibilities of developed and developing countries.

This book is an account of the outcomes and negotiations at the UN Framework Convention on Climate Change (UNFCCC). It covers the Convention's annual Conference of Parties (COP) from Bali (2007) to Paris (2015), where the Paris Agreement was adopted, to 2018 where the rules on implementing Paris were approved, and to Madrid (2019).

The two main authors took part in all the COPs analysed except the 2019 COP. The book thus provides a unique ringside view of the crucial negotiations and their results at the UNFCCC as the different countries and their groups grappled with the details on how to save the world, and who should take what actions.

This brief account will be useful, even indispensable, for policy-makers, researchers, civil society activists and all those interested in the climate change issue.

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Third World ECONOMICS No. 819-820, 16 May -15 June 2025

Global food import bill hits a new record high, says FAO

The global food import bill reached a new record high of nearly USD 2.1 trillion in 2024, driven by a substantial rise in the import bill of coffee, tea, cocoa, and spices, according to the UN Food and Agriculture Organization (FAO).

by Kanaga Raja

PENANG: The global food import bill (FIB) reached nearly USD 2.1 trillion in 2024, marking a 3.6 percent increase - or USD 71.4 billion - from 2023, according to the UN Food and Agriculture Organization (FAO).

In its latest biannual Food Outlook released on 12 June, the FAO said that this marks a rebound from the slight contraction registered in 2023, which was mainly driven by lower import costs for the animal and vegetable oils and fats group as well as for the fish, crustaceans and molluscs group.

The increase in 2024 was triggered by a substantial rise in the import bill of the coffee, tea, cocoa, spices and products group, followed by higher import costs for fruits and vegetables, it added.

An increase in the import bill of the meat and meat preparations group also contributed to the overall expansion of the FIB in 2024, said the report.

The FAO said in 2025, trade tensions and policy uncertainty will likely affect the global food import bill by influencing import volumes and prices, especially for sensitive products like tropical beverages and animal goods.

The impact will vary by country and commodity, depending on factors like import dependency and availability of alternatives, it said, adding that adverse weather events and supply chain disruptions may further drive up import costs.

In 2024, import expenditures for the coffee, tea, cocoa, spices and products group are estimated to have risen by 29.3 percent, or USD 42.9 billion, above their 2023 levels, largely due to a surge in international prices, said the report.

It said the international prices of cocoa, coffee and tea rose significantly in 2024, averaging 123.4 percent, 38.8 percent, and 7.7 percent, respectively, above their 2023 levels in nominal terms.

The FAO said the price surge was driven primarily by supply constraints caused by adverse weather in major producing regions.

The import bill of fruits and vegetables also rose by 8.1 percent, or USD 29.8 billion, with the largest increase estimated for fresh fruits.

Import expenditures on meat and meat preparations rose by 5.6 percent, or USD 10.8 billion, reflecting higher quotations for bovine, ovine (lamb and mutton) and poultry meats, said the report.

The overall increase in the 2024 FIB was tempered by lower import costs for the oilseeds and oleaginous fruits group and the cereals group - both estimated to have declined for the second consecutive year, it noted.

The import bill of the oilseeds and oleaginous fruits group dropped by 9.7 percent, or USD 14.2 billion, said the report.

The global cereal import bill - particularly significant for least developed countries (LDCs), net food-importing developing countries (NFIDCs), and sub-Saharan Africa (SSA) - is estimated to have decreased by 4.6 percent, or USD 14.2 billion, from 2023, mainly as a result of lower international prices, it added.

In fact, it noted that in 2024, the FAO Cereal Price Index averaged 13.3 percent lower than in 2023, marking a second consecutive annual decline from the record level reached in 2022.

In 2024, the FIB for LDCs is estimated to have declined by 4.3 percent, or USD 2.3 billion, from 2023, primarily due to lower import costs for cereals and for animal and vegetable oils and fats, said the FAO.

However, it said that despite the drop in global cereal prices, the food import bills for both NFIDCs and SSA are estimated to have increased from 2023.

The FAO said for NFIDCs, the rise - estimated at 2.0 percent, or USD 2.8 billion - is largely attributed to higher import expenditures on the coffee, tea, cocoa, spices and products group and the fruits and vegetables group.

For SSA, the FIB rose by 3.7 percent, or USD 2.2 billion, from 2023, mainly reflecting higher cereal import costs due to a significant increase in import volumes.

In Southern Africa, cereal imports in 2024 are estimated to have increased by one-third from 2023, following drought-induced declines in production, said the report.

Similarly, below-average cereal harvests in several West African countries resulted in higher import needs in 2024, it added.

Among country income groups, high-income countries (HICs) accounted for an estimated 65.5 percent of the global FIB in 2024 and were the main drivers of its overall increase, the FAO underlined.

The FIB for HICs rose by 5.6 percent, or USD 71.1 billion, from 2023, mainly due to higher import costs for the coffee, tea, cocoa, spices and products group.

The FAO said this commodity group accounted for 47.1 percent of the total increase in the FIB of HICs, which alone represented 78.0 percent of the global import bill of these products.

Imports of fruits and vegetables also contributed to the overall increase in this country group's FIB, growing by 7.5 percent, or USD 20.5 billion, over 2023.

Similarly, the report said that in lower-middle-income countries (LMICs), higher import costs for the coffee, tea, cocoa, spices and products group and for fruits and vegetables were the main drivers of the estimated 5.4 percent, or USD 10.8 billion, rise in the FIB in 2024 compared to 2023.

On the other hand, the FAO said food import bills are estimated to have declined for both upper-middle-income countries (UMICs) and low-income countries (LICs).

The report said that in UMICs, the FIB declined by 2.0 percent, or USD 9.6

billion, mostly due to lower import costs for cereals and for oilseeds and oleaginous fruits - two commodity groups that each accounted for around 17.0 percent of the UMICs' FIB in 2024.

In LICs, the FIB declined by 3.5 percent, or USD 0.9 billion, from 2023, largely reflecting reduced cereal import expenditures, which made up an estimated 36.8 percent of LICs' total food import costs in 2024.

The FAO said in 2025, rising trade tensions and policy uncertainty are expected to impact the FIB by influencing both the volumes and prices of imports.

"Products that are income-elastic and sensitive to trade policy changes - such as tropical beverages and animal products - are, for instance, particularly vulnerable to restrictive trade measures."

However, the effects will likely be heterogenous across country groups and commodities, depending on factors such as the country's import dependency and the availability of substitute products, said the report.

Other factors that can affect the FIB include adverse weather events, such as extreme heat and flooding, which may disrupt harvests, supply chains, and export availabilities in major food-producing regions, it added.

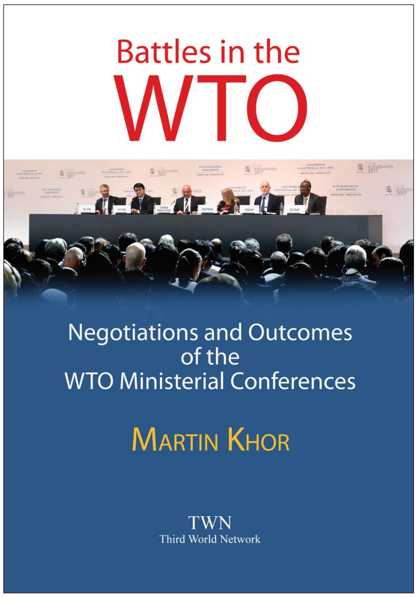
For example, the report said that cocoa and coffee prices surged to record highs in 2024 due to severe drought conditions in key producing countries.

Additional upward pressure on the FIB could also arise from supply-chain disruptions, it cautioned. (SUNS #10242)

Battles in the WTO

Negotiations and Outcomes of the WTO Ministerial Conferences

by *Martin Khor*



ISBN: 978-967-0747-40-8 376 pages

The World Trade Organisation has been an extremely controversial and divided organisation ever since its establishment in 1995. The big battles are most evident at its highest governing body, the Ministerial Conference, where the Trade Ministers of member states convene to chart the WTO's course.

This book is a compilation of contem-poraneous reports and analyses of what unfolded at each Ministerial, as well as a few "mini-Ministerials", that took place from the WTO's inception up to 2017. As these articles reveal, the Ministerials have been the stage on which battles over the future direction of the WTO are most prominently played out. These clashes have mainly pitted developed member states pushing to expand the WTO's ambit into new subject areas, against many developing countries which call instead for redressing imbalances in the existing set of WTO rules.

This book also shines a light on the murky decision-making methods often employed during Ministerials, where agreements are sought to be hammered out by a select few delegations behind closed doors before being foisted on the rest of the membership. Such exclusionary processes, coupled with the crucial substantive issues at stake, have led to dramatic outcomes in many a Ministerial.

The ringside accounts of Ministerial battles collected here offer important insights into the contested dynamics of the WTO and the multilateral trading system in general.

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Third World ECONOMICS No. 819-820, 16 May -15 June 2025

Nearly 29 million Sahelians need urgent aid amid growing funding crisis

Nearly 29 million people across the climate-vulnerable Sahel region are in urgent need of humanitarian assistance amid a growing funding crisis that could put millions of lives at risk, according to the United Nations.

by Kanaga Raja

PENANG: Across the Sahel region, 28.7 million people are in urgent need of humanitarian assistance and protection services, the UN Office for the Coordination of Humanitarian Affairs (OCHA) has said, warning that lives are at stake if humanitarians are not given the resources needed to support those in need across the region.

In publishing the 2025 Humanitarian Needs and Requirements Overview (HNRO) for the Sahel region on 3 June, OCHA said these are people who have been forced to flee their homes, who cannot provide their families with food or clean water, who have lost their loved ones and their livelihoods, and who lack access to the most basic protection and social services.

The Sahel constitutes Burkina Faso, Cameroon (Far North region), Chad, Mali, Niger, and Nigeria (Adamawa, Borno and Yobe states in the country's north-east).

According to OCHA, the humanitarian needs caused by this complex web of inter-linked crises, which is exacerbated by instability, increasing violence, conflict and insecurity, and the impact of climate change, are concentrated around the Central Sahel and the Lake Chad Basin.

It said the HNRO provides an analysis of the crises faced, how this impacts people's lives, and the nature of the humanitarian response.

Humanitarians are appealing for US$4.3 billion to meet the urgent needs of 18.4 million people in Burkina Faso, Cameroon, Chad, Mali, Niger, and Nigeria, it added.

"Across the Sahel, millions of vulnerable women, children and men are in urgent need of humanitarian assistance," said Charles Bernimolin, head of the Regional Office for West and Central Africa at OCHA.

"Humanitarian workers are saving lives and reducing suffering day in, day out across the Sahel, often in complex and challenging circumstances, thanks to donors' generous contributions."

"Yet without the funds needed to continue to support this work, those in need will pay a high price. Amidst a growing funding crisis, we must remember that we are talking not about balancing an accounting ledger, but about saving human lives," said Bernimolin.

"Our failure to act now will put lives at stake, exacerbate vulnerabilities, erode resilience, and risk the spread of the crises. The region needs a properly funded humanitarian response complemented by durable solutions for the long-term. I urge all donors to give generously," he added.

According to the HNRO for Sahel, the crises in the Sahel are focused around two epicentres - the Central Sahel in the west, where Burkina Faso, Mali and Western Niger meet; and the Lake Chad Basin in the east, where the Far North region of Cameroon, western Chad, southeastern Niger and north-eastern Niger all meet.

While other areas also face crises, notably in eastern Chad due to the spillover of the crisis in Sudan, most of the drivers of crisis across the Sahel region map onto these two areas, it said.

Across the Sahel there were 5,833 security incidents in 2024 leading to the deaths of 16,833 people, representing a 389 per cent increase in the number of incidents reported compared to 2020, and a 544 per cent increase in the number of fatalities across the same period, said the OCHA report.

It said that as of April 2025, the Sahel was home to 5.9 million internally displaced persons, and 2.1 million refugees and asylum seekers - figures that increased by 6 per cent and 20 per cent respectively relative to the previous January.

Those who are displaced often face complex multi-sectoral needs and heightened protection risks, in particular for women and girls, said OCHA.

Armed conflict and attacks on the civilian population are the main cause of forced displacement in the Sahel in 2024, it added.

Moreover, the HNRO said the crises in the Sahel are felt beyond the region itself, driving displacement which affects neighbouring countries.

The effects are felt particularly in the coastal countries of the Gulf of Guinea (Benin, Cote d'Ivoire, Ghana and Togo) and in Mauritania.

The northern regions of the coastal countries hosted an estimated 159,000 refugees and asylum seekers who had fled the Sahel (principally Burkina Faso) as of the end of January 2025.

In Mauritania, 32,000 new registrations of refugees and asylum seekers took place in 2024, up from 5,000 in 2021, said the HNRO.

As of 30 April, there were 169,870 Malian refugees registered in Mauritania, principally in the Hodh Chargui region in the southeast of the country.

This spillover of the crisis from the Sahel can exacerbate social tensions as pressure on limited social services and natural resources increases, said OCHA.

It said the Sahel is one of the world's most vulnerable regions to the effects of climate change. According to the Intergovernmental Panel on Climate Change, temperatures in the Sahel will rise by at least 2 degrees C by 2040, a rate 1.5 times higher than the global average.

By 2080, temperatures are projected to rise between 2.0 and 4.3 degrees C compared to pre-industrial levels, with higher temperatures and more extremes expected in the northern part of the region, said the HNRO.

While precipitation trends vary across the Sahel, projections indicate that dry and wet periods will become more extreme. This will exacerbate the region's seasonal flooding, with heavy rainfall causing rivers to overflow and resulting in flash floods, especially in areas with poor drainage, it suggested.

"Agriculture in the Sahel, the main source of livelihood, is severely affected by repeated cycles of droughts, desertification, and floods."

It said the 2024 floods across the Sahel showed how climate change can further stretch people's capacity to cope.

Nearly 6 million people were

affected, and more than 980,000 were displaced. This includes refugees, asylum seekers and internally displaced persons whose shelters were destroyed.

Rainfall in Chad, Niger, Mali, Mauritania, and northern Burkina Faso was 120 to 600 per cent above the average for the 1991-2020 reference period.

Armed conflict and attacks on the civilian population remained the main cause of forced displacement in the Sahel in 2024, said the HNRO.

"This displacement, as well as inter-communal conflicts, exacerbated by limited access to resources, tensions between pastoralists and farmers and growing environmental and climatic risks, all exacerbate protection risks."

In 2024, children accounted for half of those in need of humanitarian assistance in the Sahel. There has been an increase in both physical and psychological violations against civilians in zones with security challenges, with significant impact on children, said the HNRO.

In 2024, a third of the child protection incidents reported by communities were a form of severe violation against children, it noted.

In Burkina Faso, Mali, and north-east Nigeria, kidnapping is a recurring threat to civilians, especially women and children, who are often at risk of being subjected to forced recruitment and exploitation, it further said.

According to the HNRO, gender-based violence (GBV) exacerbates the suffering of women and girls and is used to intimidate communities, especially in situations of armed conflict, when sexual violence may be used as a weapon of war.

In 2024, an estimated 7.2 million people in crises-affected areas of the Sahel needed GBV-related assistance, it said.

In many areas, children face heightened risks of child marriage, sexual violence, and other harmful practices, and girls represent a significant proportion of GBV survivors seeking humanitarian assistance.

Despite the scale of the needs, major funding constraints and access difficulties limit humanitarians' ability to reach those in need, said the HNRO.

The population of the Sahel continues to face rising levels of food insecurity, driven by a combination of factors including insecurity, conflict and forced displacement, climate shocks, and surging food prices, it added.

Across the Sahel, 12.8 million people are projected to experience food insecurity (IPC phases 3-5) between June and August 2025.

OCHA said the highest burden will be observed in north-east Nigeria (4.6 million), Chad (3.3 million), and Niger (2.2 million).

Over 2.1 million people will face emergency conditions (IPC Phase 4), while more than 2,600 people living in the Menaka and Tessalit districts in Mali may experience catastrophic hunger (IPC Phase 5), it suggested.

It also said that ongoing conflicts in the Central Sahel, Lake Chad Basin, and northern Nigeria have led to large-scale displacement, disrupting agricultural activities and restricting food availability. These persistent crises have eroded livelihoods, increasing dependency on humanitarian aid.

Climate shocks have also played a critical role in exacerbating food insecurity. Severe flooding in 2024 affected major agricultural regions, including Chad, Nigeria, Niger, and Mali, said the HNRO.

These extreme weather events resulted in substantial crop losses, damaging already fragile food supply systems.

While overall cereal production has increased by 5 per cent per capita, food availability continues to decline due to rapid population growth and limited purchasing power, it added.

High food prices in many places are further restricting household access to essential food items, worsening food insecurity.

"Malnutrition rates in the Sahel continue to worsen, with rising levels of acute malnutrition, especially among children," it said.

OCHA said in 2025, 2.6 million children are expected to suffer from severe acute malnutrition, and 6.1 million from moderate acute malnutrition.

It said contributing factors include fragile food systems, escalating food costs, poor dietary diversity, limited access to essential services (health, WASH, and social protection), and sub-optimal infant and young child feeding practices - all exacerbated by ongoing conflict and displacement, highlighting the need for urgent and targeted nutrition interventions.

Across the Sahel, more than 25 million young people are deprived of their right to education due to the impact of escalating conflicts, forced displacement of populations both within countries and across borders, poverty and economic instability, disasters, food insecurity and public health emergencies, it added.

The HNRO said that this has severely disrupted education systems, leading to the closure of schools, shortage of qualified teachers, high out-of-school children and dropout rates, and the destruction and occupation of education infrastructure.

Furthermore, it said that attacks on schools have exacerbated existing structural challenges to education (poverty, poor school infrastructure, low attendance rates, and a lack of qualified teachers).

It said that the presence of armed groups in and around schools exposes students and teachers to increased risks.

The fear and instability caused by these attacks have led to a wave of school closures. These disruptions have led to declining student enrolment and attendance, said OCHA.

It also said the Sahel faces an increasing burden of infectious disease outbreaks including Lassa fever, yellow fever, measles, meningitis (particularly in Niger and Nigeria), as well as diphtheria and cholera (principally in Nigeria).

In 2024, suspected cholera cases across the Sahel surged to 10,278 (including 79 deaths), an increase of more than 30 per cent compared to the previous year.

Malaria remains a significant concern across the region, with endemic areas contributing to high mortality and morbidity rates, especially in rural and low-income communities, and the situation is exacerbated in countries affected by floods and droughts, said the HNRO.

It said maternal and under five mortalities remain high. Some countries in the Sahel record the highest maternal and child mortality rates in the world due to inadequate access to healthcare facilities, insufficient numbers of qualified and skilled birth attendants, including midwives, lack of available and quality emergency obstetric and newborn care services, vaccinations and healthcare services.

Flooding has also contributed to the disruption of basic social services such as education and healthcare, said the HNRO.

In 2024, flooding destroyed or damaged more than 1,000 schools, affecting almost 12.1 million children in Chad, Mali, Niger and Nigeria, it added.

In Mali, registered students had their education disrupted by the floods, and flooding also destroyed or affected more than 200 healthcare facilities.

The disruption of water, sanitation, and hygiene (WASH) services are among the most critical challenges faced by people affected by crises in the Sahel, it further said.

"Discontinued project implementation, destroyed infrastructure, and exponentially increased WASH needs leave millions without access to safe drinking water and adequate sanitation, leading also to an increase in waterborne disease, especially amongst children."

Funding cuts

In 2025, humanitarian organizations require $4.3 billion to respond to the urgent needs of 18 million people in need of humanitarian assistance and protection across the Sahel, said the HNRO.

It said the funding required by the humanitarian system to respond to the vast scale of the needs in the region has increased by 23 per cent since 2020, rising from $3.5 billion to $4.3 billion.

According to the HNRO, as of 31 May 2025, $387.8 million has been reported for the Humanitarian Response Plans for five of the six Sahel countries - around 8 per cent of the total requirements.

However, it said that there is a considerable decline in funding compared to the same period in 2024.

In 2024, humanitarian partners across the region delivered vital assistance and protection services to 12.4 million people, thanks to the generous contributions of donors, OCHA pointed out.

However, despite these efforts, only half of the funds needed were received. This shortfall was largely due to a growing gap between rising humanitarian needs, the corresponding funding requirements and the actual funding received. As a result, millions of vulnerable people were left without the vital assistance they needed, it said.

At a time when humanitarian needs are deepening, and the spillover to neighbouring countries is increasing, the funding cuts announced in early 2025 by many traditional and major donors is severely straining humanitarian operations globally and in the region, the HNRO pointed out.

The impact of funding cuts has already had significant consequences for crisis-affected people and humanitarian organisations in the region, it underlined.

Millions of people in the most severe crises risk being left without live-saving humanitarian support and critical protection interventions, OCHA warned.

"Funding cuts are limiting the ability of humanitarians to respond to the increasing scale of suffering and the gravity of humanitarian needs."

In this constrained funding environment, cash and voucher assistance offers a cost-effective solution, reducing logistical costs and allowing rapid scale-up of assistance tailored to household needs, it noted.

Humanitarian Coordinators and Humanitarian Country Teams are making tough decisions on who gets aid and who does not. There is not a single sector or cluster that has not been forced to make changes, said OCHA.

While all clusters are affected, Health, Nutrition, Food Security, WASH, Cash, Protection and GBV have so far been the most affected, it added.

The region is increasingly seeing a reduced operational presence by humanitarian partners, with staff cuts across organizations, particularly among national and international NGOs.

Many NGOs are today facing staff cuts, full or partial halt of operations, closure of offices and even in some cases, bankruptcy, said the HNRO.

This is having an impact on the sector's ability to deliver, creating additional operational challenges, including gaps in organizations' ability to access previously reachable areas, it added.

"Common services have been impacted by the cuts; aid delivery is at risk in hard-to-reach areas where the UN Humanitarian Air Service was one of the few, if not the only, means of access."

The absence of or limited assistance in areas previously covered by aid workers is expected to worsen existing caseloads and/or intensify risks, said the HNRO.

Limited capacity to respond increases risks of repeated displacement and the likelihood of communities deprived of aid adopting negative coping strategies, it warned.

"Disruptions and/or suspensions of aid are also impacting relationships with authorities, leading to erosion of trust, including with communities."

The funding cuts have also affected humanitarian coordination. Without dedicated coordinators and information management officers, the ability to coordinate responses, collect and analyse data and evidence, and advocate for urgent interventions is compromised, OCHA stressed.

It said that in order to continue to save lives with increasingly limited funding, humanitarian organizations have undertaken re-prioritization exercises, starting with a credible and transparent identification of those most in need of humanitarian assistance and protection services and a targeting of support to those individuals. *(SUNS #10235)*