

The effects of geopolitical conflicts and supply-chain reconfiguration on commodity markets and the real economy

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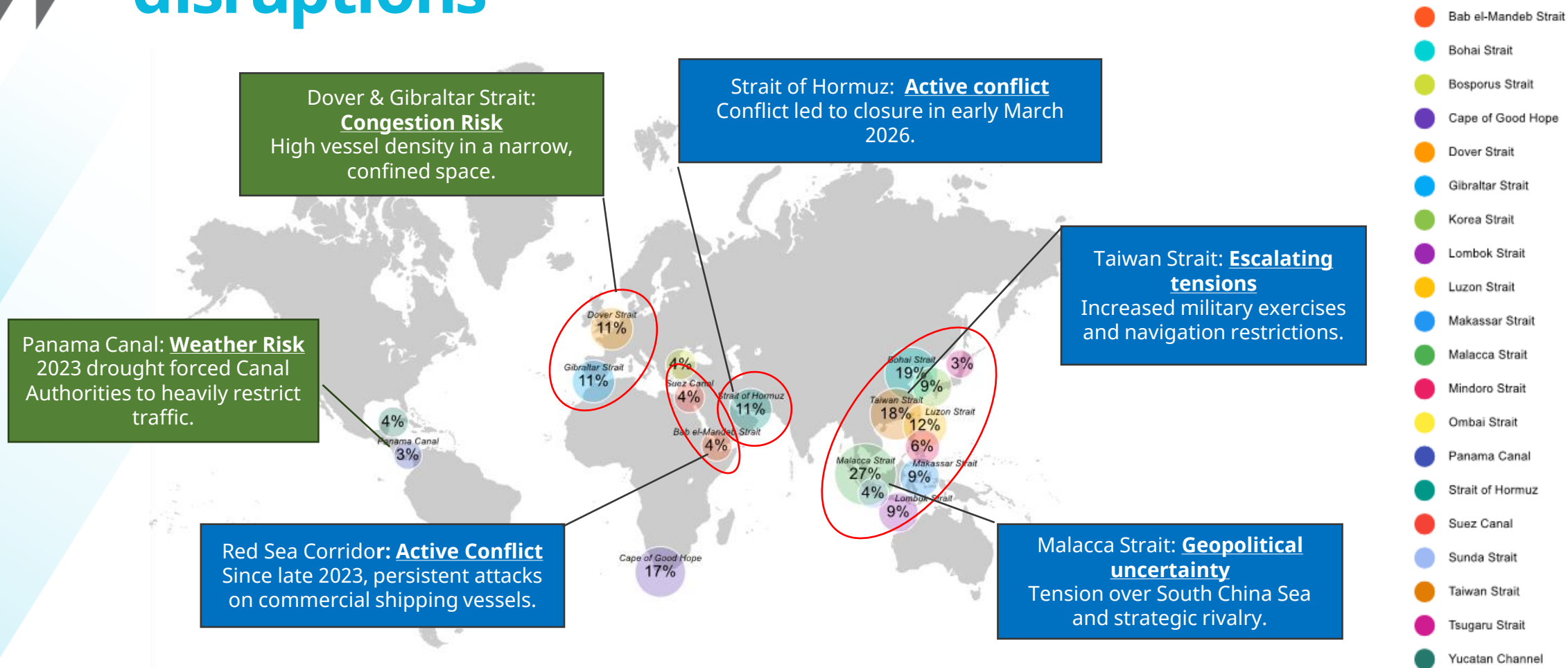


Background

- Supply chain disruptions have increased following the COVID-19 pandemic, Russia's invasion of Ukraine and more recent crises
- Supply chain resilience has become a key priority for both firms and policymakers
- Dependence on foreign suppliers can raise national security concerns when trading partners are not aligned and trade relationships may be weaponized



Key shipping routes face tensions and disruptions



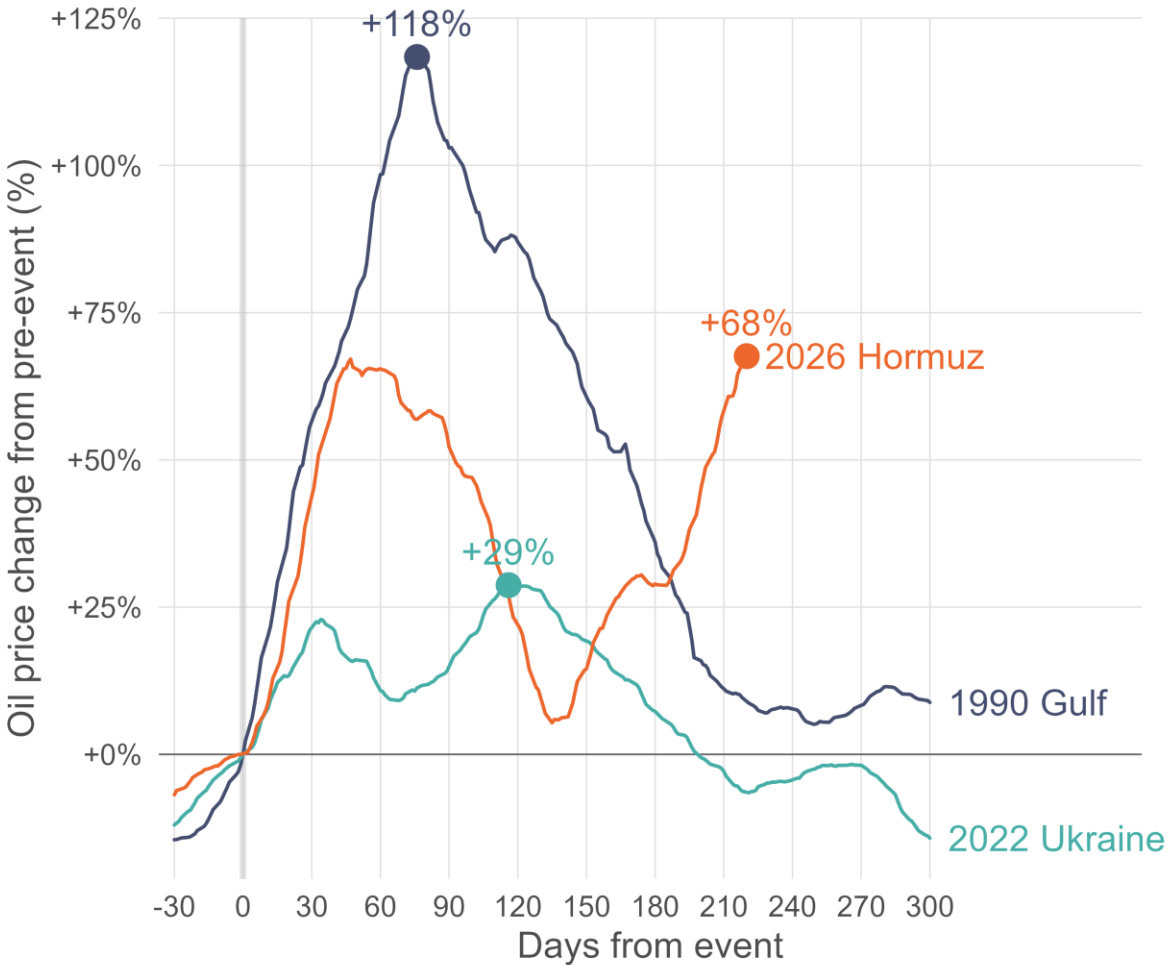
Note: This map represents the list of chokepoints identified by the IMF for which the share of 2025 total maritime trade is higher than 3%. Shares were calculated as the ratio of the volume of trade going through each chokepoint to the 2025 total volume of maritime trade. The volume of trade going through each chokepoint is estimated by the IMF using AIS data transmitted from vessels and collected by the UN Global Platform. 2025 total volume of maritime trade was estimated using 2024 total maritime trade from UNCTAD database and yearly growth rates provided in UNCTAD maritime trade reports.

Source: IMF Portwatch (<https://portwatch.imf.org/>) and UNCTAD. Data extracted on 23 March 2026. OECD calculations.



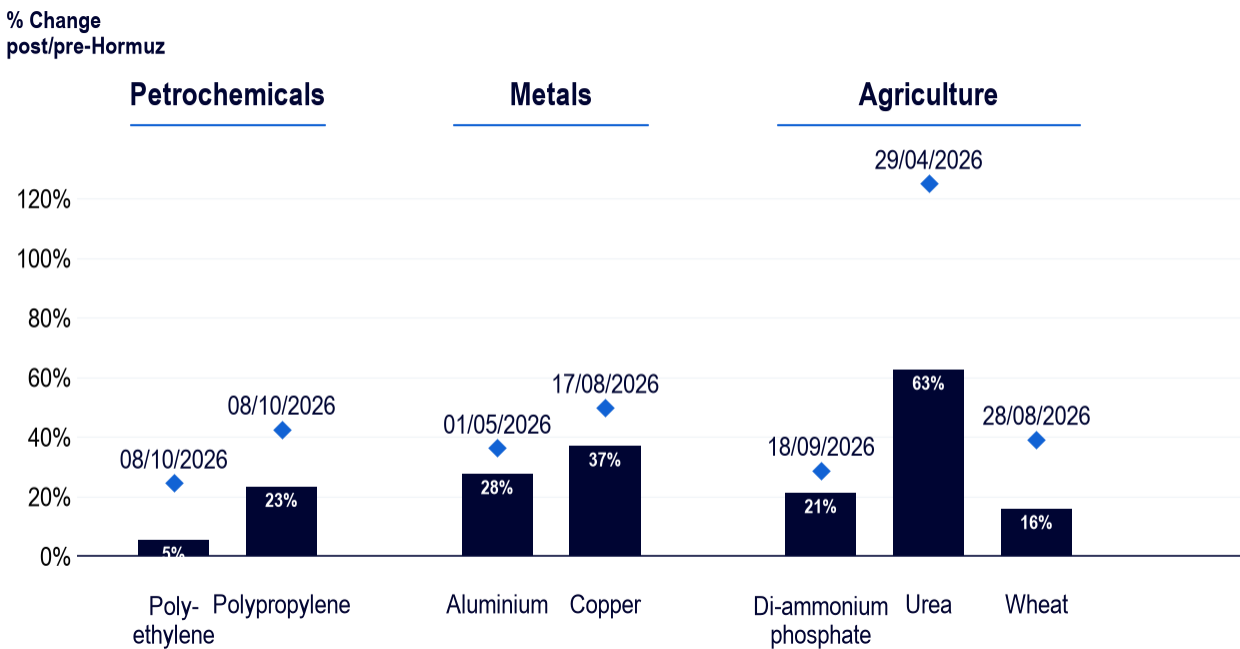
Concerns about commodity markets persist

Oil prices: major shocks, side-by-side



Note: 30-day trailing moving average, percentage change from value at event day 0.
Source: U.S. Energy Information Agency, daily Europe Brent Spot Price FOB (US Dollars per barrel).
Data extracted on 8 October 2026.

Change (%) in selected commodity prices since 28 February 2026

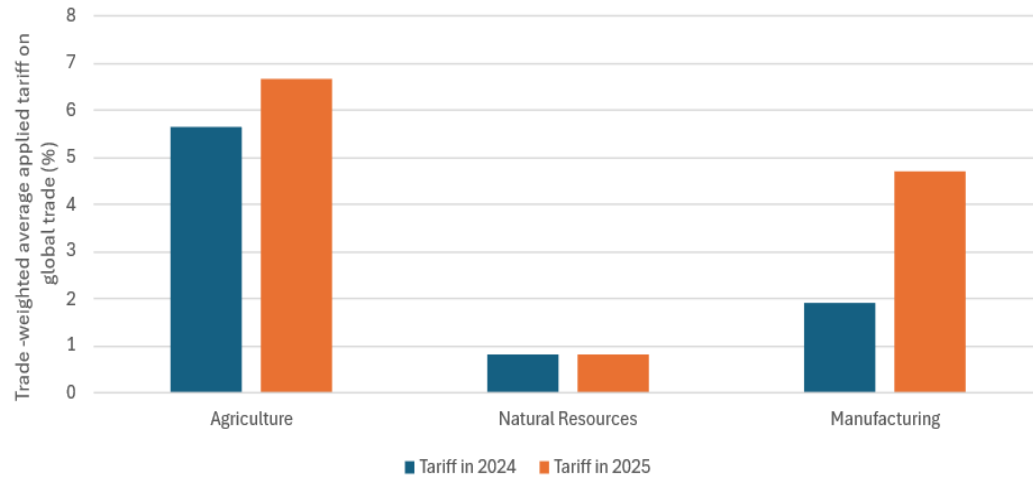


Note: The pre-disruption baseline is the average price over 1 January 2024–27 February 2026. Bars show the percentage difference between the average price from 28 February 2026 to the latest available observation and this baseline. Diamonds mark the highest price reached at any point since 28 February 2026.
Source: OECD calculations based on INSEE and LME (aluminium); LME data via Boursorama (copper); LSEG data on Dalian Commodity Exchange futures (polyethylene, polypropylene) and the CBOT wheat future (wheat); and Investing.com (di-ammonium phosphate, FOB NOLA futures; urea, FOB Middle East futures).
Data extracted on 8 October 2026.



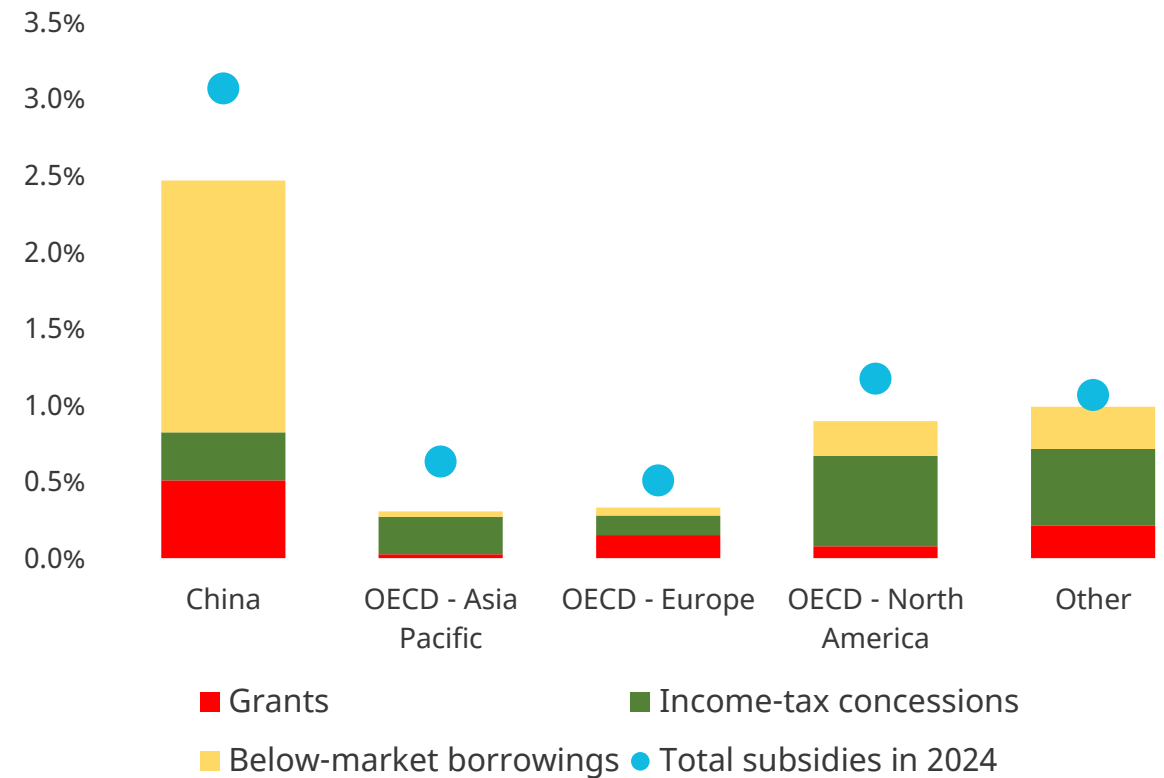
A new industrial policy era

The return of tariffs on manufactures



Source: UNCTAD

Industrial subsidies for 15 key industrial sectors, average for 2005-24 versus 2024 (% of annual firm revenue)



Source: OECD MAGIC database.

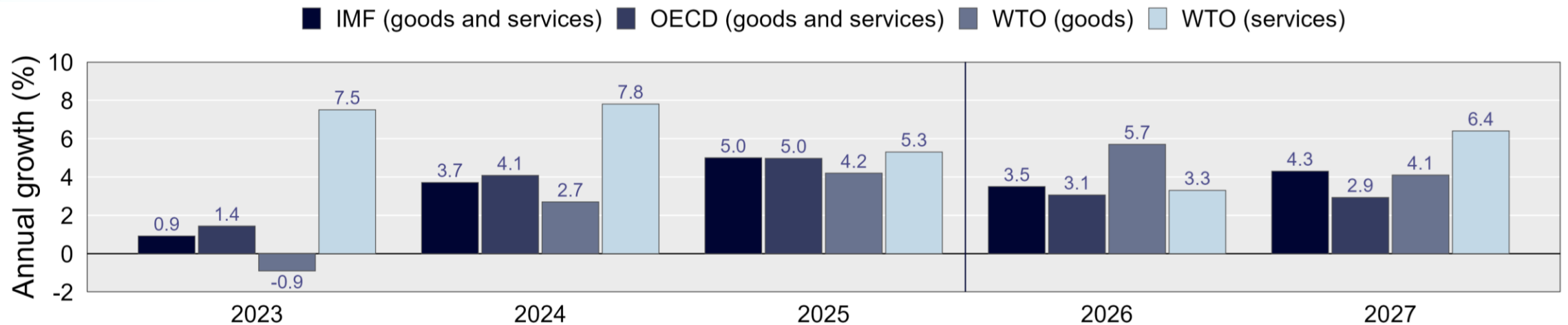


Trade resilience and supply chain reconfiguration



Resilience continues to underpin global trade

Trade growth estimates and forecasts

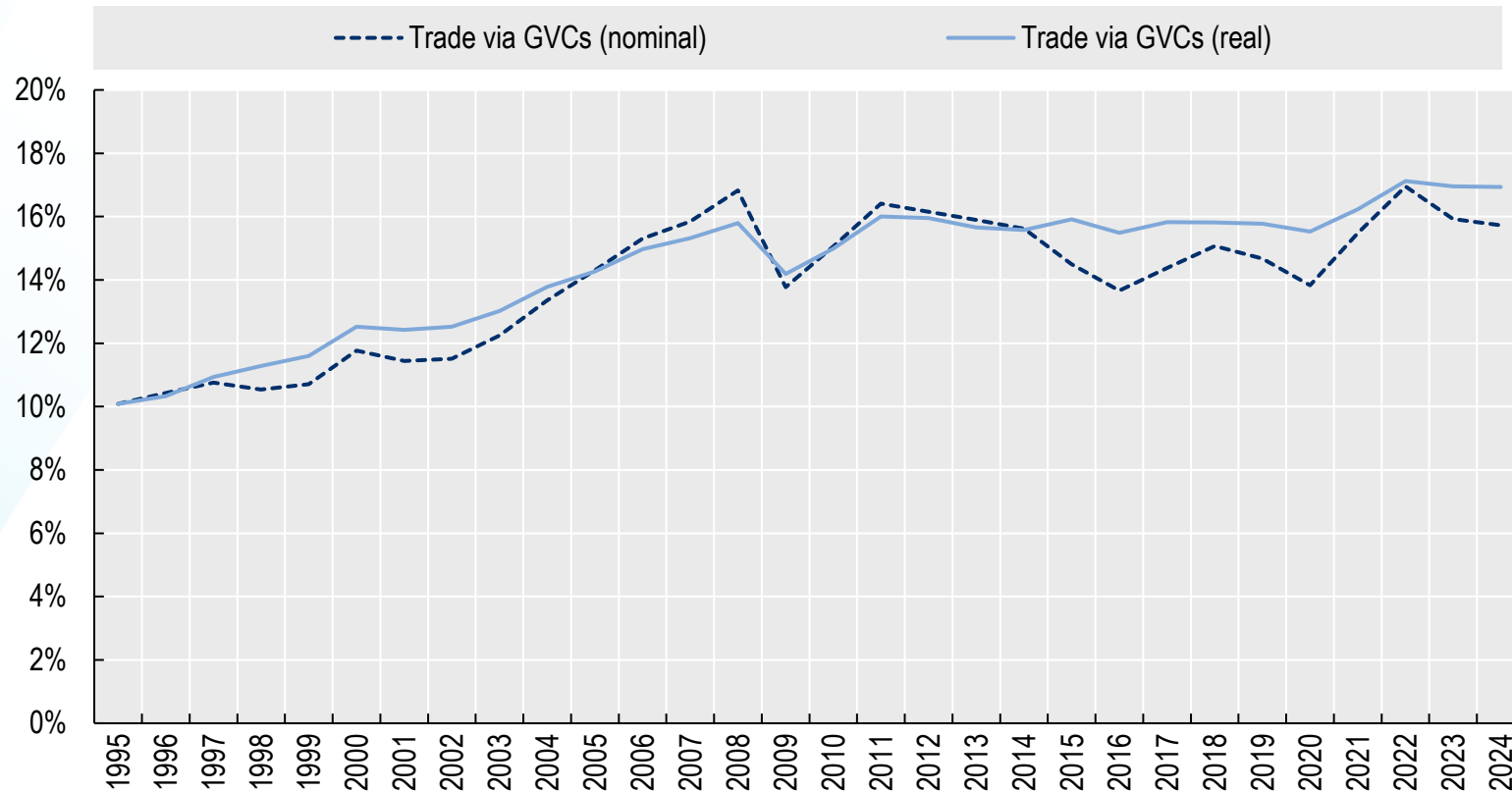


Note: All reported projections are in real terms. Projections for 2026 and 2027 include the impacts of the disruptions in the Strait of Hormuz.
Source: IMF (2026), OECD (2026) and WTO (2026, October).



Trade via global value chains has reached historic highs in real terms since the pandemic

Trade via GVCs in nominal and real terms, 1995-2024, as a percentage of world GDP



Note: Trade via GVCs is the sum of gross trade flows of intermediate goods and services. Data in real terms are obtained by chain-linking the indicator with its current and PYP values (chain volume measure) with 1995 as reference year.

Source: calculations based on OECD PYP ICIO dataset, 2026 edition.



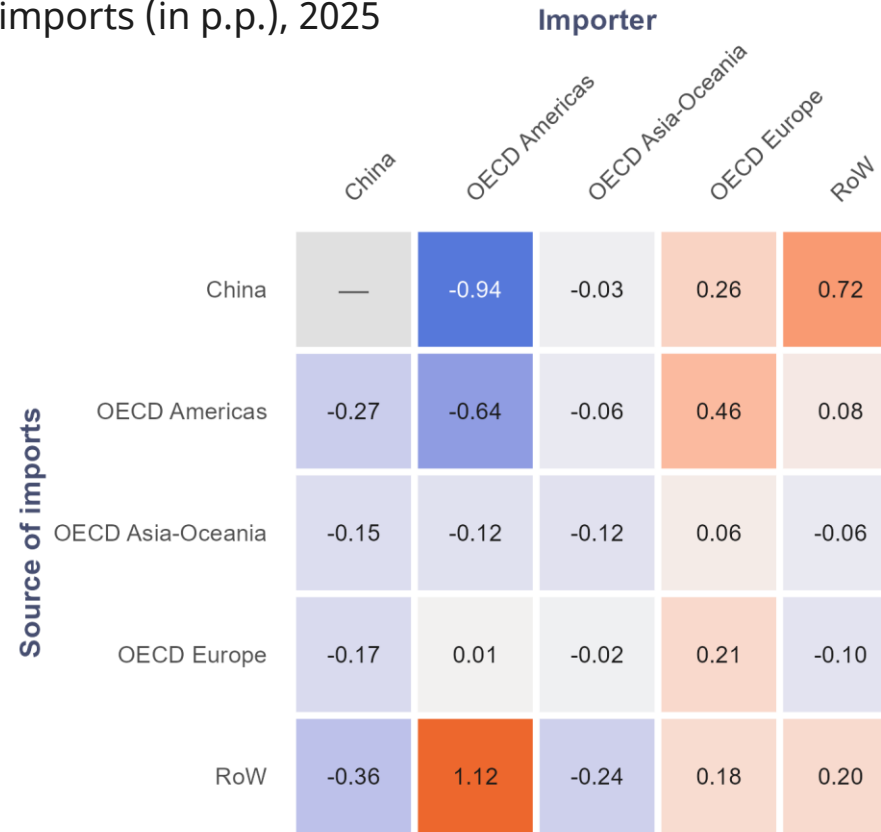
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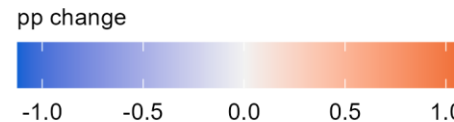
But trade patterns are being reshaped

Global trade is moving toward a different set of partners

Yearly changes in bilateral trade flows, as a share of world imports (in p.p.), 2025



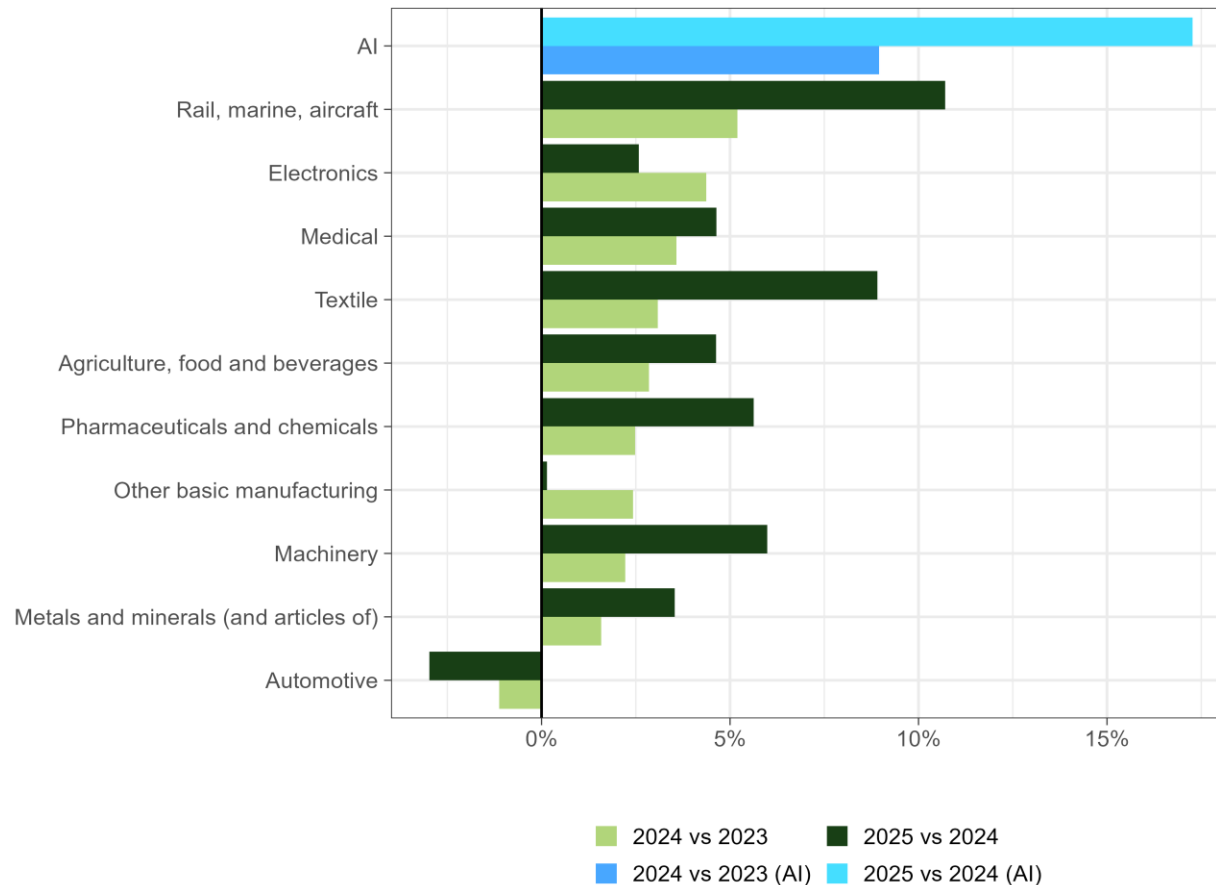
Note: Intra-EU trade excluded.
Source: UN Comtrade; China General Administration of Customs (GACC). Data extracted on 1 October 2026, OECD calculations



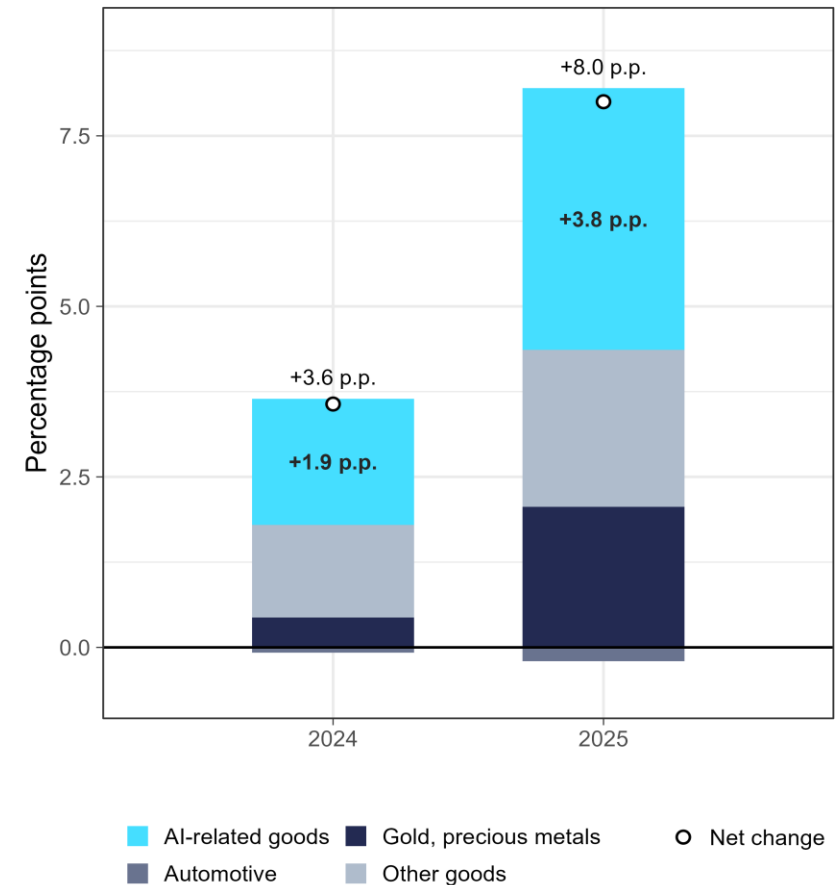


AI-related goods are an increasingly important driver of global trade

Change in global imports, by product type



Contribution to merchandise import growth

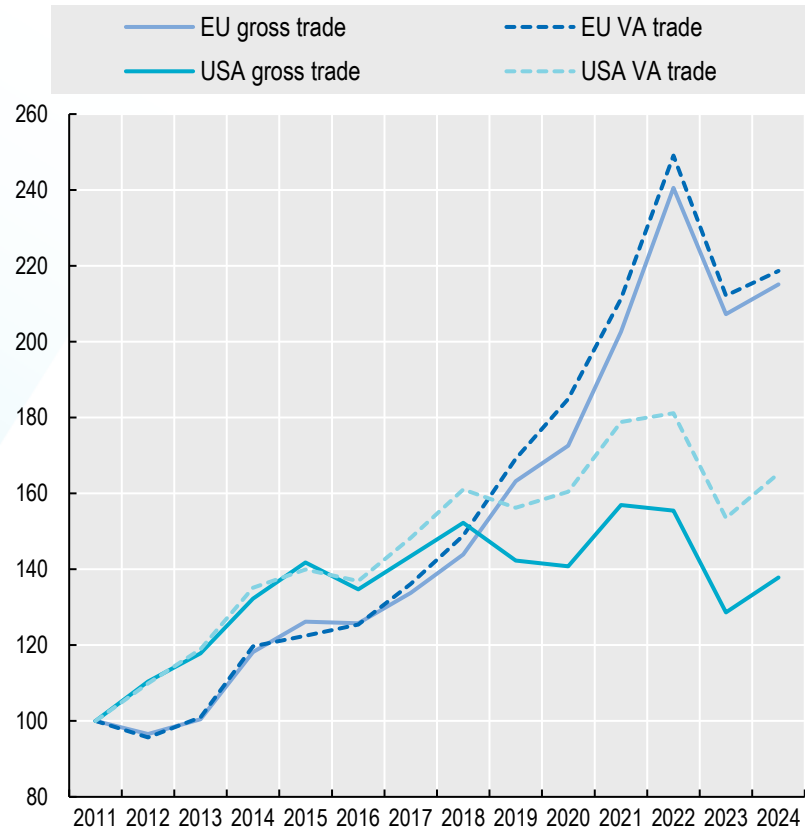


Note: Intra-EU trade excluded.
Source: UN Comtrade, monthly data. Data extracted on 01 October 2026. OECD calculations.

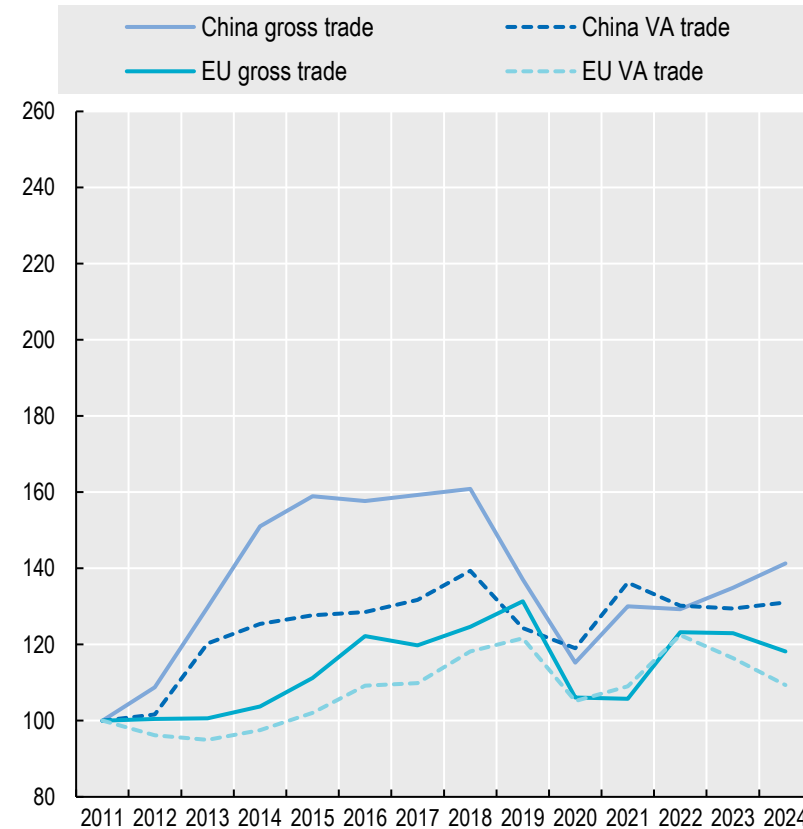


Global value chains are being reconfigured but are not unraveling

Exports of China



Exports of the United States



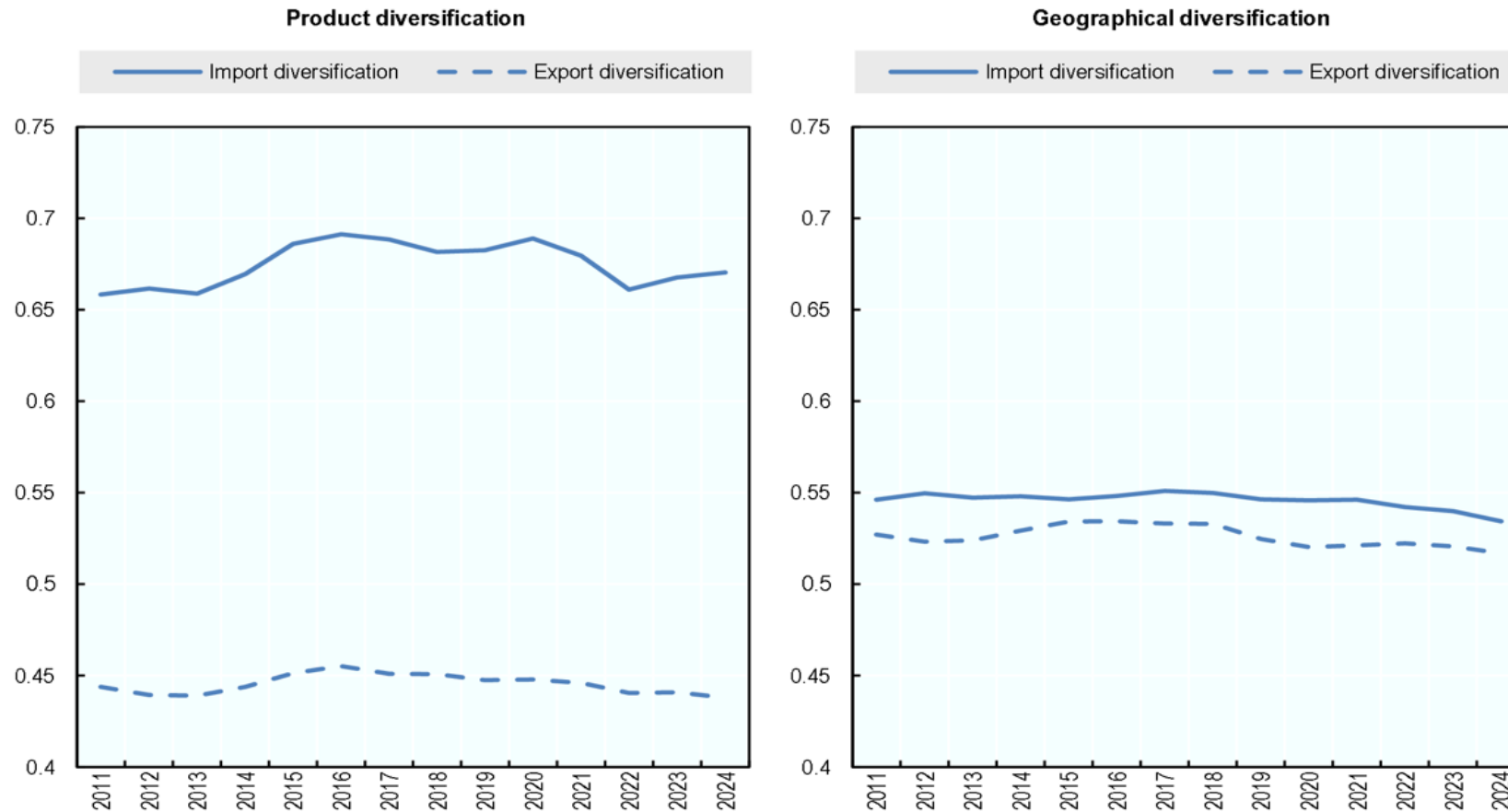
Note: Value-added trade flows are calculated based on final demand, as in Johnson and Noguera (2012).

Source: calculations based on OECD PYP ICIO dataset, 2026 edition.



Trade is not becoming more diversified

Theil diversification index (higher values indicate more diversified trade) using disaggregated trade data (HS6 level)



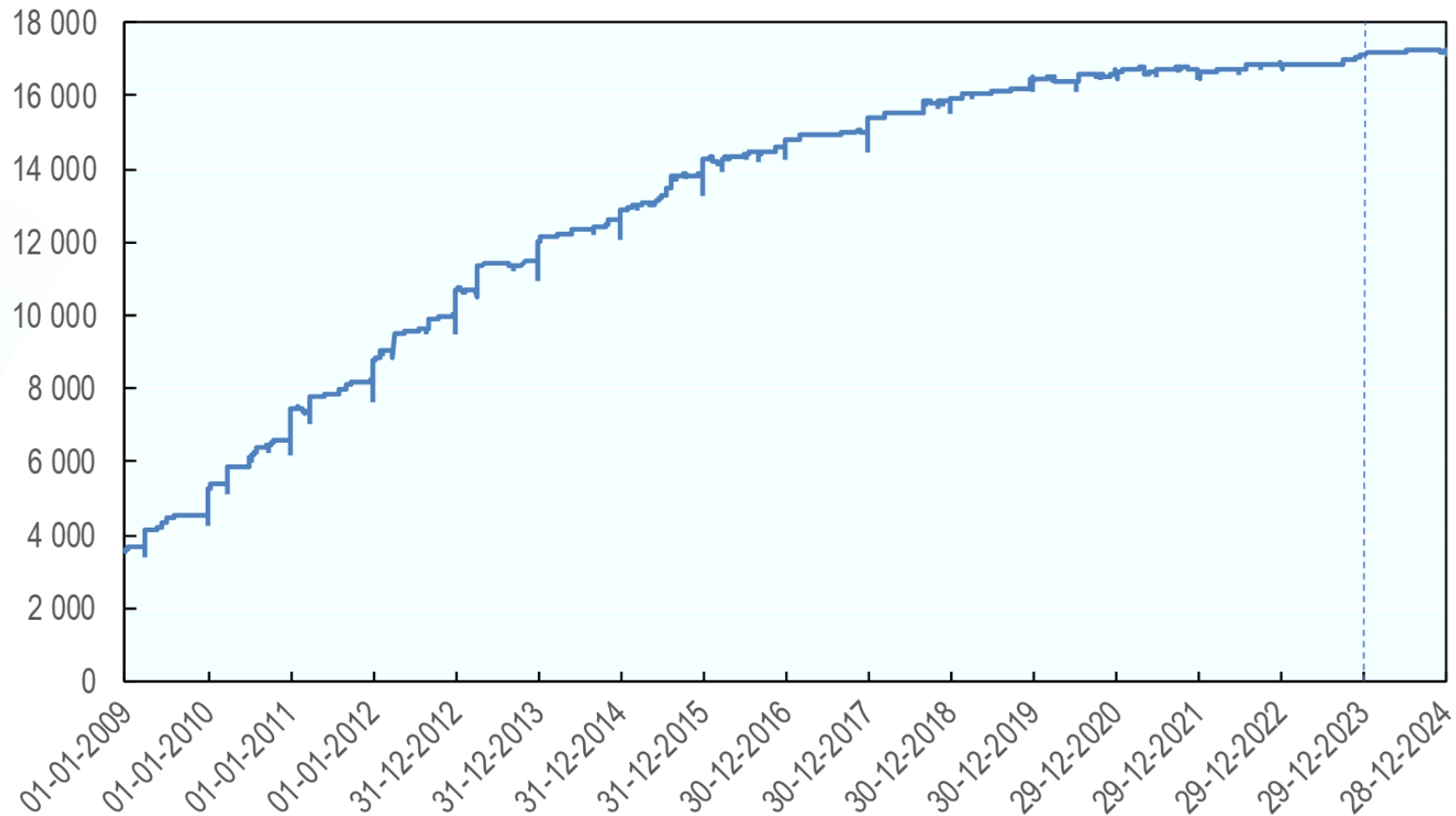
Source: OECD calculations based on OECD BIMTS data.



Vulnerabilities in critical mineral markets



Export restrictions on critical raw materials are at record highs

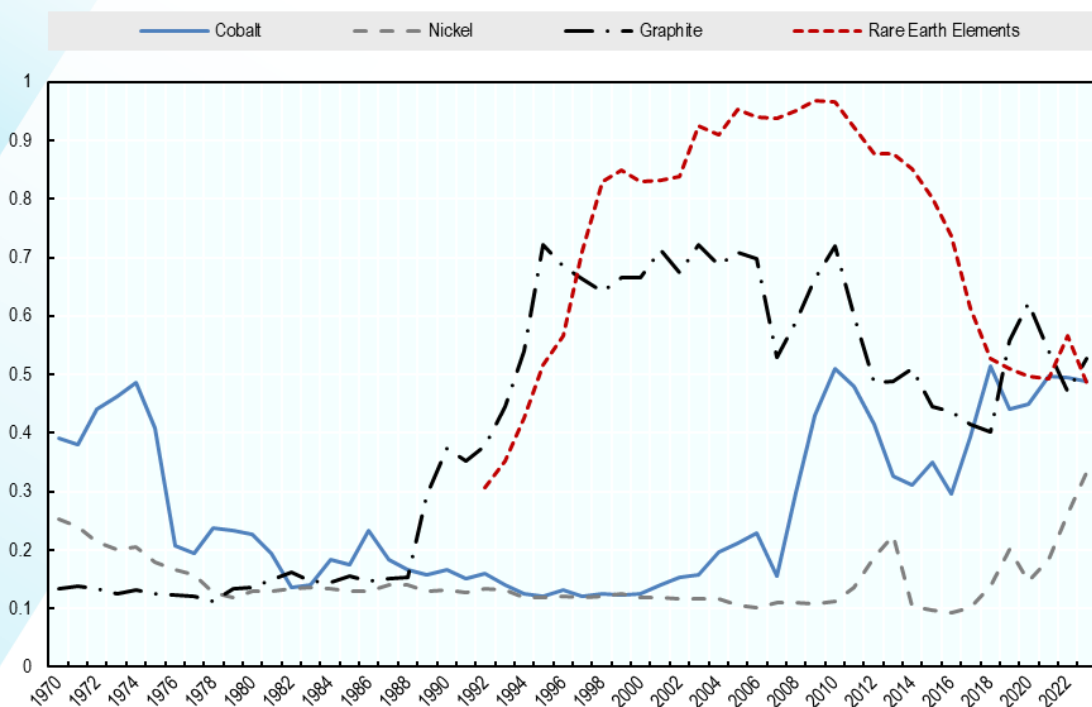


Source: 2026 OECD Inventory of Export Restrictions on Critical Raw Materials (2009-2024).



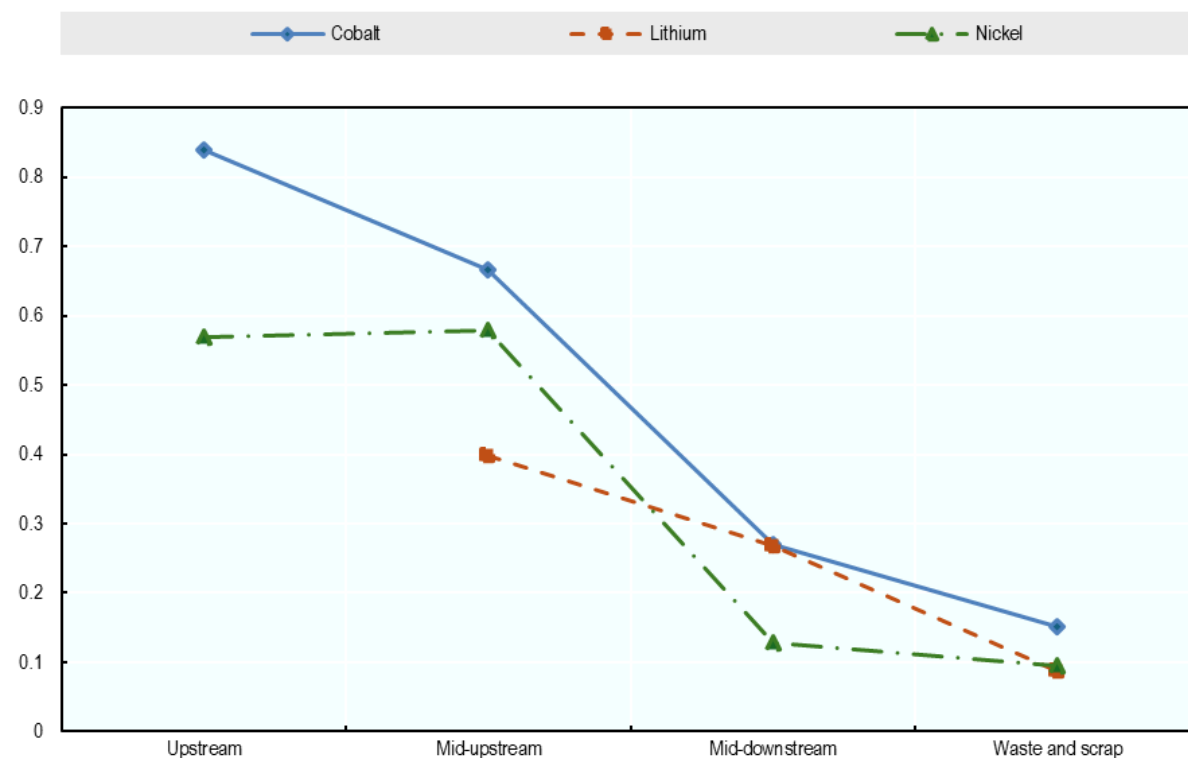
Critical mineral markets are becoming more concentrated

HHI of production concentration, computed by country and year



Source: OECD (2025) based on UN COMTRADE.

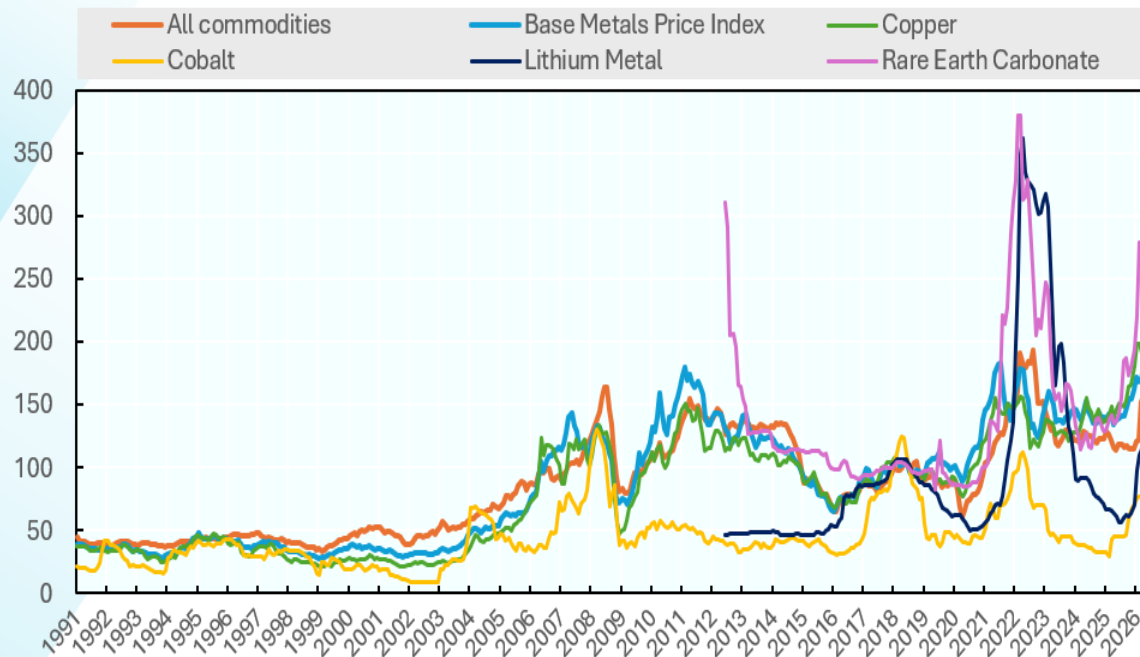
HHI index computed by value chain category, computed across exporting economies, 2024



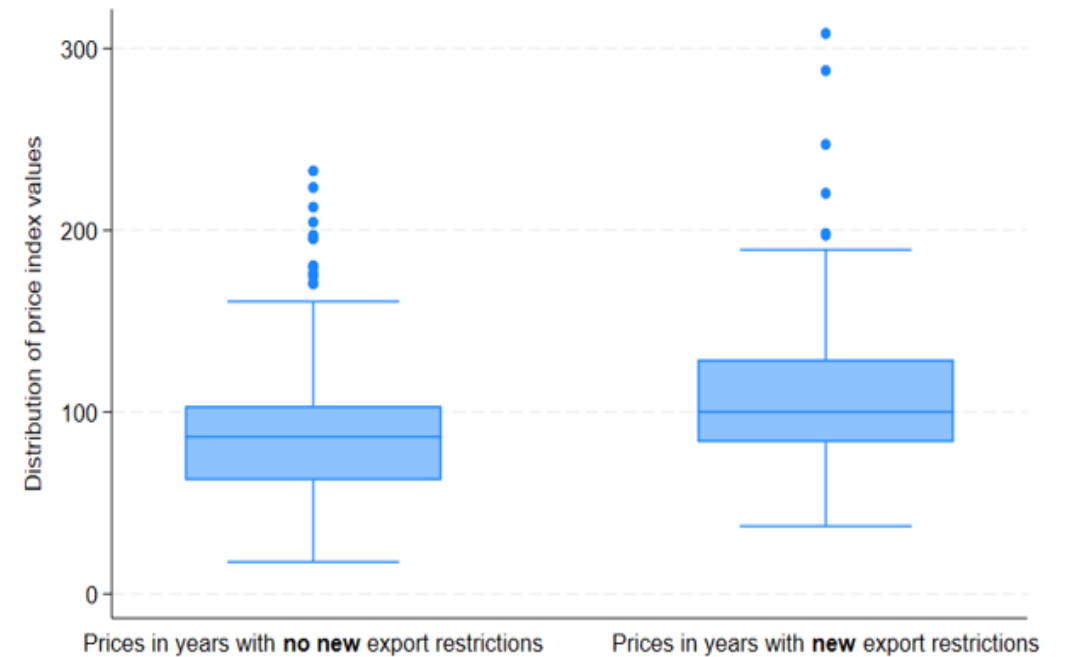


Critical mineral prices are more volatile, partly due to distortive policy measures

Critical mineral prices are higher and more volatile



When export restrictions are adopted, mineral prices are on average 17% higher



Source: 2026 OECD Inventory of Export Restrictions on Critical Raw Materials and OECD, forthcoming.



Concluding remarks

International trade, based on market competition, is vital

But global commodity markets are under pressure

- Concentration gives rise to risks
- Growing use of export restrictions and other non-market policies

Governments are adopting more assertive (but not necessarily efficient) policies

- Investment in critical mineral mining and refining capacity has stalled

What is needed?

- Transparency: monitor trade and trade-related measures
- Digging deeper: understand motivations and impacts
- Coordination and cooperation through rules and agreements



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