

## Macro Roundup Article

**Headline:** [Commodity Trade Costs Surge as Industry Seeks Up to \\$500bn in Extra Finance](#)

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**Tweet:** The commodity sector will require an investment of \$300-\$500B in working capital going forward due to higher interest rates and volatility related to the Russo-Ukrainian War, according to @McKinsey. @ft

**Summary:** Changing trade patterns have made the global flow of raw materials less efficient and more costly to finance and are also likely to push up the price of commodities for consumers, according to a new study by consultancy McKinsey. "Since the end of 2020, we have seen a doubling of the working capital requirements in the commodity trading sector," said Roland Rechtsteiner, McKinsey partner and lead author of the report. The McKinsey report predicts average shipping times will increase by 8%, energy prices will rise three-fold, and interest costs will rise seven-fold, between the end of 2020 and 2024, and that working capital requirements for commodity trading globally will increase between \$300bn and \$500bn as a result.

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