**UNCTAD**

The United Nations Conference on Trade and Development (UNCTAD) was established in 1964. It is an intergovernmental body of the United Nations Generally Assembly for promoting the development-friendly integration of developing countries into the world economy.

**Organisation:**

The UNCTAD has been set up as a permanent organ of the UN General Assembly. It has its own structure of subsidiary bodies and a full time Secretariat. It has instituted a Trade and Development Board and takes policy decisions when the conference is not in session. It is composed of 55 members, elected by the conference from among its members on the basis of equitable geographical distribution. The meeting of the Board takes place twice a year.

The Trade and Development Board is assisted in its functions by four subsidiary committees.

**These include:**

(i) The committee on commodities,

(ii) The committee on manufactures,

(iii) The committee on shipping; and

(iv) The committee on invisible items and financing related to trade.

The meeting of these committees generally takes place once a year but the special session of committees can be convened to deal with the matters of urgent nature. All the members of the United Nations are eligible for the membership of the UNCTAD.

**Functions:**

The essential purpose of instituting UNCTAD was to promote accelerated development of the less developed regions of the world by dealing properly with the problem of slow expansion of exports, persistently increasing BOP deficits, burden of external debts etc. confronting the LDC’s.

**The main functions of the UNCTAD are as follows:**

(i) To promote international trade between the developed and under-developed countries having diverse socio-economic organisations with special emphasis upon the accelerated development of the under-developed countries.

(ii) To formulate the principles and policies concerning international trade and related problems of economic development.

(iii) To make proposals for putting the said principles and policies into effect and to adopt measures that may be relevant to this end.

(iv) To generally review and facilitate the co­ordination of activities of other institutions within the fold of the United Nations related to international trade and economic development.

(v) To be available as a centre for harmonious trade-related policies of governments and the regional economic groupings in pursuance of Article 7 of the Charter of the United Nations.

**Basic Principles:**

**The UNCTAD I held in 1964 specified that action programmes and priorities of the UNCTAD would be based upon the following basic principles:**

(i) Sovereign right of each member country to dispose of freely its natural resources in the interest of its development, well-being of its population and furtherance of its trade with other countries.

(ii) International economic and trade relations shall be based on such principles as respect for sovereign equality of states, self-determination and non-interference in the internal affairs of the others.

(iii) No discrimination among member countries on account of differences in socio-economic system and independent pursuit of economic and other policies.

(iv) Extension of preferential concessions.

(v) Greater market access for the products of the less developed countries.

(vi) Reduction in tariff and non-tariff restrictions on trade.

(vii) Unconstrained flow of international aid.