

# GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

C/87  
21 May 1971

Limited Distribution

COUNCIL  
25 May 1971

## ADMINISTRATIVE AND FINANCIAL QUESTIONS

### Revaluation of the Swiss Franc

#### Note by the Director-General

1. Since the expenditure budget of the GATT is expressed in US dollars the revaluation of the Swiss franc in relation to the dollar has had the effect, for GATT transactions in Swiss francs, of increasing the amount of expenditure necessary for the purposes approved in the budget. On the other hand, since the income budget is also expressed in US dollars the amount of contributions receivable remains unchanged with the result that the funds available to GATT fall short of approved expenditure.
2. The Geneva-based organizations have agreed to an accounting rate of 4.08 Swiss francs to the US dollar and if this remains in effect and the market value of the US dollar remains stable, the financial consequences to the 1971 GATT budget would be an exchange loss of approximately \$165,000 which includes approximately \$30,000 representing GATT's share of the exchange loss on the International Trade Centre budget.
3. The Director-General intends to examine the situation in the light of future developments and will make appropriate recommendations with regard to the financing of the above-mentioned exchange loss.
4. The financial consequences of the revaluation of the Swiss franc on the 1972 ITC budget which has already been drawn up, will be an increase of the expenditure estimates of between 5 and 6 per cent. It will be necessary to submit revised estimates at an appropriate time.

Submitted for information.