

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

L/3185

13 March 1969

Limited Distribution

ADMINISTRATIVE AND FINANCIAL QUESTIONS

Final 1968 Budget Position

1. In accordance with the CONTRACTING PARTIES standing instructions regarding the reporting of any savings accrued at the end of the financial year, the Director-General's proposals for appropriation of such savings, the financial position concerning the transfer of credits between sections of the budget, and any advances made from the Working Capital Fund, the Director-General has the honour to submit the following information for consideration by the CONTRACTING PARTIES.

I. INCOME BUDGET

2. The following amounts were credited as income for 1968:

- (a) US\$3,158,000 in contributions assessed on contracting parties in accordance with the scale of contributions as approved for 1968 (document L/2872);
- (b) US\$15,790 in contributions assessed on Ireland subsequent to the adoption of the scale of contributions (document L/2952);
- (c) US\$90,000 in contributions from the United Nations to cover the expenses arising directly from the conversion of the International Trade Centre into a joint Centre (document L/3095);
- (d) US\$125,451 representing miscellaneous income.

3. It should be noted that the contribution of US\$15,790 assessed on Ireland during the financial year, referred to in paragraph 2(b) above, was treated as extra budgetary income. Miscellaneous income exceeded the approved estimate of US\$70,000 by US\$55,451. This excess is mainly due to:

- (a) the increased income from investments (US\$29,436) as a consequence of high interest rates obtained on short-term investments and early collection of contributions;
- (b) the income from the sale of the 1964-1967 Trade Conference Protocol (US\$7,000);
- (c) contributions received towards the administrative and operational support services costs incurred in connexion with Trade Centre projects financed through voluntary contributions (US\$17,171).

4. At 31 December 1968, contributions in arrears in respect of contracting parties amounted to US\$262,613 (Annex A), compared with US\$229,355 at 31 December 1967. As regards contributions due from countries having withdrawn from the Agreement, Syria paid in October 1968 the outstanding amount of US\$5,338.

II. EXPENDITURE BUDGET

5. Appropriations for the financial year 1968 were originally approved by the CONTRACTING PARTIES at a level of US\$3,228,000 and subsequently increased by US\$90,000 in respect of the International Trade Centre UNCTAD/GATT to US\$3,318,000. In addition, credits of US\$74,500 were authorized by the CONTRACTING PARTIES to cover: (a) the additional cost arising from the increase in the general service category salary scales (document L/2979); (b) the cost of the special Tariff Study (document L/2993); (c) the increase in the representation allowance payable to the Director-General (document C/77); and (d) the expenditure for the conversion of an office at the Villa Le Bocage into a conference room (document L/3106). These additional expenditures were to be financed within the 1968 budget.

6. Obligations incurred amounted to US\$3,269,690, leaving an unencumbered balance of US\$48,310. This balance represents the residue of the appropriation for Unforeseen Expenditure (US\$50,000) after the transfer of US\$1,690 to meet the difference between the savings of US\$54,754 set out below and the excess expenditures of US\$56,444 referred to in paragraph 8:

	<u>US dollars</u>
PART II - Section 1 - Salaries and wages and official travel	43,188
Section 2 - Common staff costs	6,832
Section 4 - Printing	4,730
PART III - Section 1 - Annuity to Canton of Geneva	2
PART IV - Section 1 - Reimbursement of withdrawals to the Working Capital Fund	2
	<hr/>
	54,754

7. The savings on PART II Section 1 - Salaries and wages and official travel and Section 2 - Common staff costs are mainly due to the fact that some posts including those of the Deputy Director-General and Assistant Director-General in charge of External Relations and Public Information remained fully or partially vacant during the year. Some savings were made on Section 4 - Printing mainly because a number of Centre pamphlets were not ready for printing in 1968.

8. Transfers of US\$56,444, as set out in Annex B, are necessary in order to cover excess expenditure over approved budget appropriations incurred on the following sections and authority is hereby sought to increase appropriations accordingly:

	<u>US dollars</u>
PART I - Section 1 - Twenty-fifth session of the CONTRACTING PARTIES	697
Section 2 - Meetings of the Council and other meetings	15,568
PART II - Section 3 - Common services	10,216
Section 5 - Representation and hospitality	1,907
Section 6 - Permanent equipment	28,056
	<u>56,444</u>

9. The final 1968 budget position, as set out in paragraphs 6-8 above, was achieved despite the additional expenditures authorized by the CONTRACTING PARTIES as mentioned in paragraph 5 and despite further unforeseen expenditures on alterations and additional furnishing of the Villa La Fenêtre put at the disposal of GATT by the UN. It also takes account of additional expenditures on temporary assistance (the total budget provision for which was exceeded by US\$105,987) occasioned by the high number of temporary appointments which had to be made on an ad hoc basis all through 1968.

III. SURPLUS ACCOUNT

10. The Surplus Account reproduced in Annex C shows an unappropriated surplus of US\$91,595. The Director-General intends to put proposals for the disposal of the surplus to the Committee on Budget, Finance and Administration at a later date, for consideration and appropriate recommendations to the CONTRACTING PARTIES.

IV. WORKING CAPITAL FUND

11. The principal of the Working Capital Fund was US\$358,874 at 31 December 1968. In addition, an amount of US\$14,354 resulting from the revised assessment of advances to the Fund (document L/2482), and US\$620 resulting from the dissolution of the former Federation of Rhodesia and Nyasaland (document L/2324), stood to the credit of governments' accounts.

12. An amount of US\$851 representing advances assessed on six contracting parties are still outstanding at 31 December 1968.

Point for decision: Paragraph 8.

ANNEX A

CONTRIBUTIONS IN ARREARS AS AT 31 DECEMBER 1968

(in US dollars)

	<u>1962/1965</u>	<u>1966</u>	<u>1967</u>	<u>1968</u>	<u>Total</u>
	<u>US\$</u>	<u>US\$</u>	<u>US\$</u>	<u>US\$</u>	<u>US\$</u>
Cambodia			500	3,790	4,290
Congo (Brazzaville)				3,790	3,790
Cuba				15,160	15,160
Dahomey				3,790	3,790
Dominican Republic	(1962) 5,624				
	(1963) 5,750				
	(1964) 6,600				
	(1965) 8,740				
	<u>26,714</u>	11,640	9,000	3,790	51,144
Gabon				57	57
Ghana				5,682	5,682
Haiti	(1963) 2,492				
	(1964) 2,500				
	(1965) 2,500				
	<u>7,492</u>	2,500	3,000	3,790	16,782
India				43,900	43,900
Italy				5,834	5,834
Malaysia				22,110	22,110
Nicaragua			3,000	3,790	6,790
Niger				81	81
Peru	(1965) 133	11,640	15,000	13,580	40,353
Rhodesia		11,640	9,000	6,630	27,270
Rwanda				3,790	3,790
Upper Volta	(1965) 2,500	2,500	3,000	3,790	11,790
	<u>36,839</u>	<u>39,920</u>	<u>42,500</u>	<u>143,354</u>	<u>262,613</u>

ANNEX B

PROPOSED TRANSFERS BETWEEN BUDGETARY SECTIONS

(in US dollars)

FROM:

TO:

PART II: SECRETARIAT

PART I: MEETINGS

Section 1 - Salaries and
Wages and
Official Travel
Established posts

43,188

Section 1 - Twenty-Fifth Session
of the CONTRACTING
PARTIES

Temporary assistance
(including overtime)

697

Section 2 - Common Staff Costs
Contributions to the
UN Joint Staff Pension
Fund

6,832

Section 2 - Meetings of the
Council and other
Meetings

Temporary assistance
(including overtime)

15,568

Section 4 - Printing
Printing

4,730

PART II: SECRETARIAT

PART III: BUILDINGS

Section 3 - Common Services

Section 1 - Annuity to Canton
of Geneva
Annuity to Canton of
Geneva in respect of
First Annex

2
=

Cables and telephone
communications
Maintenance expenditure
Postal services

2,307

7,571

338

10,216

PART IV: WORKING CAPITAL FUND

Section 5 - Representation and
Hospitality

Section 1. - Reimbursement of
Withdrawals
Reimbursement of
withdrawals

2
=

Representation and
hospitality

1,907

PART V: UNFORESEEN EXPENDITURE

Section 6 - Permanent Equipment
Permanent equipment

28,056

Section 1 - Unforeseen Expenditure
Unforeseen expenditure

1,690

56,444

56,444

ANNEX C

SURPLUS ACCOUNT

(in US dollars)

Brought forward as at 1 January 1968		114,843
<u>Add:</u> Excess of income over expenditure	119,551	
Transfer from provision for contributions in arrears in respect of receipts of arrears in 1968	<u>115,434</u>	<u>234,985</u>
		349,828
<u>Deduct:</u> Transfer to provision for contributions in arrears in respect of 1968 contributions in arrears	143,354	
Transfer to accounts receivable to write off invoices irrecoverable	<u>36</u>	<u>143,390</u>
		206,438
of which, appropriated as provision for 1969 expenditure in accordance with Resolution contained in document L/3080 and adopted on 14 November 1968		<u>114,843</u>
Unappropriated surplus as at 31 December 1968		<u><u>91,595</u></u>