

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

L/3393

20 May 1970

Limited Distribution

ADMINISTRATIVE AND FINANCIAL QUESTIONS

Final Position of the 1969 Budget of the GATT

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 herewith submits the following information for consideration by the Council.

I. EXPENDITURE BUDGET

2. The CONTRACTING PARTIES appropriated US\$3,364,500 for the financial year 1969. After adoption of the budget, the CONTRACTING PARTIES authorized additional expenditures of US\$96,000 for: (a) the cost arising from the increase in the salary scales of the professional category and above (documents L/3126 and C/82); and (b) the cost arising from the increase in the general service category salary scales effective 1 January and 1 November 1969, as well as the cost of the revised dependency rates for general service category staff effective 1 July 1969 (document L/3273). These additional expenditures were to be financed by transfers of up to US\$50,000 from Part V - Unforeseen Expenditure, the balance of US\$46,000 from savings within the 1969 budget, and, if necessary, by withdrawal from the Working Capital Fund.

3. Total obligations incurred in 1969 amounted to US\$3,374,355 and were therefore US\$9,855 in excess of the originally approved budget.

4. Savings were made on the following sections:

	<u>US dollars</u>
PART I - Section 1 - Twenty-sixth session of the CONTRACTING PARTIES	23,000
PART II - Section 3 - Common services	10,594
Section 4 - Printing	19,550
Section 5 - Representation and hospitality	3,581
PART III - Section 1 - Annuity to Canton of Geneva	4
	<u>56,729</u>

5. The savings reported above are mainly due to the postponement of the twenty-sixth session and the non-utilization of a credit for the printing of the Consolidation of Schedules.

6. Excess expenditure over the original appropriations was incurred on the following sections and authority is sought to increase the appropriations accordingly:

	<u>US dollars</u>
PART I - Section 2 - Meetings of the Council and other meetings	24,673
PART II - Section 1 - Salaries and wages and official travel	45,948
Section 2 - Common staff costs	42,512
Section 6 - Permanent equipment	3,451
	<u>116,584</u>

7. The excess expenditure reported above is mainly due to the additional cost arising from the salary scales increases and revision of dependency rates mentioned in paragraph 2 above and for which additional expenditures of US\$96,000 were authorized. It is also due to excess expenditure on the items for separation payments and repatriation grants (statutory indemnities upon separation of staff) and to the high number of temporary appointments which had to be made all through 1969.

8. To cover the excess expenditure of US\$116,584, the following method of financing is proposed:

(a) Transfers between budgetary sections, as set out in Annex A:

		<u>US dollars</u>
Savings on certain sections of the budget (paragraph 4 above)	56,729	
Unforeseen expenditure	50,000	106,729

(b) Transfer from Surplus account (utilization of
part of the excess of actual 1969 miscellaneous
income over estimated income)

9,855
116,584

II. INCOME BUDGET

9. The following amounts were credited as income for 1969:

- (a) US\$3,174,000 in contributions assessed on contracting parties in accordance with the scale of contributions as approved for 1969;
- (b) US\$114,843 transferred from the Surplus account;
- (c) US\$168,509 representing miscellaneous income.

10. Miscellaneous income exceeded the approved estimate of US\$75,657 by US\$92,852. This excess is mainly due to:

- (a) the increased income from investments as a consequence of very high interest rates obtained on short-term investments and early collection of contributions; 1969 actual income from investments exceeded the corresponding figure for 1968 by US\$67,077 and was US\$87,856 above the 1969 budget estimate;
- (b) the receipt of US\$8,831 representing the GATT share of miscellaneous income from the International Trade Centre UNCTAD/GATT (pro rata of GATT contribution in accordance with document L/3080, part B, paragraph 21).

11. At 31 December 1969, contributions in arrears in respect of contracting parties amounted to US\$244,521 (Annex B), compared with US\$262,613 at 31 December 1968.

III. SURPLUS ACCOUNT

12. The Surplus account reproduced in Annex C shows an unappropriated surplus of US\$100,872. 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 recommendation to the CONTRACTING PARTIES.

IV. WORKING CAPITAL FUND

13. The principal of the Working Capital Fund was US\$358,874 at 31 December 1969. In addition, an amount of US\$14,354 resulting from the revised assessment in 1965 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.

14. An amount of US\$379, representing advances assessed on two contracting parties, was still outstanding at 31 December 1969.

POINTS FOR DECISION: Paragraph 6

Paragraph 8

ANNEX A

PROPOSED TRANSFERS BETWEEN BUDGETARY SECTIONS

(in US dollars)

FROM:

PART I: MEETINGS

Section 1 - Twenty-Sixth Session
of the CONTRACTING
PARTIES

Temporary assistance (including overtime)	17,000
Travel and subsistence of temporary staff	1,000
Rental of meeting rooms and additional office space	4,500
Other services	500
	23,000
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PART II: SECRETARIAT

Section 3 - Common Services

Reproduction and distri- bution of documents	5,884
Other services and miscellaneous expendi- ture	4,710
	10,594
	=====

Section 4 - Printing

Printing	19,550
	=====

Section 5 - Representation and
Hospitality

Representation and hospitality	3,581
	=====

PART III: BUILDINGS

Section 1 - Annuity to Canton
of Geneva

Annuity to Canton of Geneva in respect of First Annex	4
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PART V: UNFORESEEN EXPENDITURE

Section 1 - Unforeseen expendi-
ture

Unforeseen expenditure	50,000
	=====

106,729

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TO:

PART I: MEETINGS

Section 2 - Meetings of the
Council and other
Meetings

Temporary assistance (including overtime)	24,673
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PART II: SECRETARIAT

Section 1 - Salaries and Wages
and Official Travel

Established posts	30,022
Temporary assistance (including overtime)	6,071
	36,093
	=====

Section 2 - Common Staff Costs

Contributions to the UN Joint Staff Pension Fund	11,496
Repatriation grants	31,016
	42,512
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Section 6 - Permanent equipment

Permanent equipment	3,451
	=====

106,729

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ANNEX B

CONTRIBUTIONS IN ARREARS AS AT 31 DECEMBER 1969

(in US dollars)

		<u>1962/1966</u> <u>US\$</u>	<u>1967</u> <u>US\$</u>	<u>1968</u> <u>US\$</u>	<u>1969</u> <u>US\$</u>	<u>Total</u> <u>US\$</u>
Burundi		-	-	-	3,810 ^{1/}	3,810
Cambodia		-	-	185 ^{1/}	3,810	3,995
Chad		-	-	-	3,810	3,810
Congo (Brazzaville)		-	-	-	46	46
Dahomey		-	-	46	3,810	3,856
Dominican Republic	(1962)	15 ^{1/}				
	(1963)	5,750 ^{2/}				
	(1964)	6,600				
	(1965)	8,740				
	(1966)	<u>11,640</u>				
		32,745	9,000	3,790	3,810	49,345
Gabon		-	-	-	462 ^{1/}	462
Haiti	(1963)	2,492				
	(1964)	2,500				
	(1965)	2,500				
	(1966)	<u>2,500</u>				
		9,992	3,000	3,790	3,810	20,592
India		-	-	-	39,990 ^{1/}	39,990
Italy		-	-	-	13,029 ^{1/}	13,029
Mauritania		-	-	-	84	84
Nicaragua		-	-	3,015	3,810	6,825
Peru	(1966)	134	15,000	13,580	13,330	42,044
Rhodesia	(1966)	11,640	9,000	6,630	5,710	32,980
Rwanda		-	-	3,790 ^{1/}	3,810 ^{2/}	7,600
Senegal		-	-	-	3,810	3,810
Upper Volta	(1966)	<u>1,643</u>	<u>3,000</u>	<u>3,790</u>	<u>3,810</u>	<u>12,243</u>
		<u>56,154</u>	<u>39,000</u>	<u>38,616</u>	<u>110,751</u>	<u>244,521</u>

^{1/} Received since 1.1.1970

^{2/} Received since 1.1.1970 in part

ANNEX C

SURPLUS ACCOUNT
(in US dollars)

Brought forward as at 1 January 1969		91,595
Add: Excess of income over original budget appropriations	92,852	
Transfer from provision for contributions in arrears in respect of receipts of arrears in 1969	<u>128,843</u>	<u>221,695</u> 313,290
Deduct: Transfer to provision for contributions in arrears in respect of 1969 contributions in arrears	110,751	
Transfer to accounts receivable to write off invoices irrecoverable	<u>217</u>	<u>110,968</u> 202,322
of which, appropriated as provision for 1970 expenditure in accordance with the Resolution contained in document L/3259 and adopted by postal ballot (L/3280)	91,595	
transferred to cover excess expenditure in accordance with the proposal contained in paragraph 8 of this document	<u>9,855</u>	<u>101,450</u>
Unappropriated surplus as at 31 December 1969		<u><u>100,872</u></u>