

GENERAL AGREEMENT ON

TARIFFS AND TRADE

RESTRICTED

L/7077

15 September 1992

Limited Distribution

ADMINISTRATIVE AND FINANCIAL QUESTIONS

Final Position of the 1991 Budget

1. In accordance with the CONTRACTING PARTIES' standing instructions regarding the results at the end of the financial year, herewith the Director-General's report on savings/deficits, the transfer of credits between sections of the budget and on advances made from the Working Capital Fund.

I. EXPENDITURE BUDGET

2. The CONTRACTING PARTIES appropriated Sw F 78,724,802 for the financial year 1991. Total obligations incurred in 1991 amounted to Sw F 78,720,409 leaving an unencumbered balance of Sw F 4,393, which is the net result of savings of Sw F 1,140,013 as detailed in paragraphs 3 to 8, reduced by the excess expenditure of Sw F 1,135,620 referred to in paragraphs 9 to 13 below.

3. Savings occurred on the following sections:	<u>Sw F</u>
Section 2 - Meetings of the Council and other meetings	125,943
Section 7 - Common Services	20,536
Section 8 - Printing	115,155
Section 9 - Representation and Hospitality	17,369
Section 10 - Permanent Equipment	25,996
Section 12 - Trade Policy Training Courses	31,379
Section 14 - Trade Policy Review Mechanism	291,698
Section 15 - International Trade Centre UNCTAD/GATT	<u>511,937</u>
	1,140,013
	=====

4. The savings in Section 2 (Meetings of the Council and other meetings) were attributable to reduced requirements for simultaneous interpretation for "other meetings" held in 1991, particularly during the first part of the year, and an increased number of informal meetings which did not require interpretation.

5. With regard to Section 7 (Common Services), savings occurred mainly on sub-items relating to utilities and maintenance of the premises (electricity, water, heating, and contractual cleaning for which the anticipated increase

was postponed until 1 January 1992). Savings also occurred on other sub-items such as maintenance of service cars (two new vehicles were bought in 1991), reproduction (31 million pages were reproduced in 1991 against 46 million pages in 1990), postal services (the reduced number of pages reproduced in 1991 had an impact on the cost of postal services), and EDP (there were fewer requirements for machine-time on the International Computing Centre's computer). However, these savings were partly offset by over-expenditure in other sub-items within the same section such as telephone, freight and cartage, as well as for insurance premiums, (inter alia, for service-related death, injury or illness, where the premiums were affected by the increase in the pensionable remuneration scales on 1 November 1991), and external audit (the audit team consisted of three people in 1991 whereas only two persons were originally foreseen).

6. With regard to Section 8 (Printing), savings occurred as the publication of a study on trade and the environment was printed at the publisher's expense. In addition, the printing of the Status of Legal Instruments was postponed and the use of desktop publishing equipment generated greater savings than anticipated. Savings in Section 9 (Representation and Hospitality), were mainly attributable to the fact that a senior post remained vacant for part of the year. Savings occurred in Section 10 (Permanent Equipment) as the actual expenditure for the video link from the Council Room to another conference room and the first stage of replacing the paging system cost less than foreseen. In respect of Section 12 (Trade Policy Training Courses), savings were made due to one of the study tours being financed by the host government.

7. With regard to Section 14 (Trade Policy Review Mechanism), savings on temporary assistance and related common staff costs resulted from delays in recruitment in 1991. In addition, provision was made in the 1991 budget for the reproduction of twelve reports, whereas only eight reports were finally reproduced of which three corresponded to reviews conducted in 1990.

8. With regard to Section 15 (International Trade Centre UNCTAD/GATT), it will be recalled that the Centre's budgeting period is biennial and 1991 was the second year of the biennium; the revised budget as outlined in the Second Performance Report of the Centre (document ITC/BUD/13) was based upon revised parameters for exchange rate, post adjustment and inflation, which resulted in savings.

9. Over expenditure of Sw F 1,135,620 against the approved appropriations was incurred under the following sections:

Section 1	- Forty-seventh Session of the CONTRACTING PARTIES	860
Section 3	- Salaries	610,441
Section 4	- Common Staff Costs	18,888
Section 5	- Missions	8,327
Section 6	- Dispute Settlement Panels	57,634
Section 13	- Uruguay Round	<u>439,470</u>
		1,135,620
		=====

10. With regard to Sections 3 (Salaries), it will be recalled that the 1991 budget included a provision of Sw F 60,000 to cover an anticipated increase in post adjustment for Professional and Higher category salaries with effect from 1 July 1991; in fact, the increase decided by the International Civil Service Commission (ICSC) amounted to some Sw F 450,000. In addition, the expenditure for overtime was greater than foreseen.

11. Section 4 (Common Staff Costs) was in total overspent as a result of over and under-expenditure in different sub-items. With regard to contributions to the United Nations Joint Staff Pension Fund (UNJSPF), savings resulted from the depreciation of the US dollar vis-à-vis the Swiss franc, as well as from fewer eligible temporary staff than expected. Travel and removal expenses, which depend on the place of recruitment of new staff, proved to be less than foreseen. Savings also occurred under sickness insurance due to staff vacancies during the year. On the other hand, provisions for family allowances and education grants were overspent as the number of dependants (particularly for newly recruited staff) were greater than anticipated. In addition, more staff members than foreseen retired in 1991, which entailed over-spending on separation payments and repatriation grants. Finally, the provision for Joint Services was overspent as GATT's share of the costs of the ICSC and of training courses was increased.

12. On Section 5 (Missions), over-spending represented 2 per cent over the original appropriation. With regard to Section 6 (Dispute Settlement Panels), the 1991 budget was based on the actual number of panels in 1990, (i.e. six Panels), whereas twelve panels were actually operating in 1991.

13. The allocation for Section 13 (Uruguay Round) was overspent as a result of the intensive pace of activities related to the negotiations especially in the month of December 1991 (for example, overtime for General Service category staff) as well as from decisions taken by the ICSC to revise the salaries of the Professional and Higher category staff (see paragraph 10). With regard to Common Staff Costs, over-expenditure occurred as two staff members resigned which entailed unforeseen costs under repatriation grants. The over-expenditure mentioned above were partially offset by savings on such sub-items as interpretation and contributions to the UNJSPF - (for the same reasons as quoted in paragraph 11). Finally, costs for reproduction of documents (5.3 million pages were reproduced in 1991 against 17.5 million pages in 1990) and electronic data processing were kept below the levels originally foreseen.

14. Transfers between budgetary sections of Sw F 1,135,620 are necessary in order to cover excess expenditure over approved appropriations on the sections mentioned in paragraph 9 by savings on other sections. Authority is sought to increase these appropriations accordingly, as follows:

Sw F

Transfers from:

Part I: MEETINGS

Section 2 - Meetings of the Council and other meetings 125,943

Part II: SECRETARIAT

Section 7 - Common Services 20,536
Section 8 - Printing 115,155
Section 9 - Representation and Hospitality 17,369
Section 10 - Permanent Equipment 25,996

Part III: TRADE POLICY TRAINING COURSES

Section 12 - Trade Policy Training Courses 26,986

PART V: TRADE POLICY REVIEW MECHANISM

Section 14 - Trade Policy Review Mechanism 291,698

Part VI: INTERNATIONAL TRADE CENTRE UNCTAD/GATT

Section 15 - Contribution to the International
Trade Centre UNCTAD/GATT 511,937
1,135,620
=====

Transfers to:

Part I: MEETINGS

Section 1 - Forty-seventh Session of the CONTRACTING PARTIES 860

Part II: SECRETARIAT

Section 3 - Salaries 610,441
Section 4 - Common Staff Costs 18,888
Section 5 - Missions 8,327
Section 6 - Dispute Settlement Panels 57,634

Part IV: URUGUAY ROUND

Section 13 - Uruguay Round 439,470
1,135,620
=====

15. In connection with Section 16 (Restitution of 1989 Deficit) and in accordance with a decision of the Council of Representatives (document C/M/244, paragraph 10), based upon a recommendation of the Committee on Budget, Finance and Administration (document L/6695, paragraph 6), authority was granted to consider the 1989 over-expenditure of Sw F 325,802 under paragraph (iii) (b) of the Rules Governing the Use of the

Working Capital Fund (document Spec(86)6/Rev.1) and this amount was withdrawn from the Fund. Consequently, the corresponding advance was reimbursed to the Fund by including this credit in the 1991 budget. This charge has thus been incurred and is reflected in the total expenditure.

II. INCOME BUDGET

16. Amounts totalling Sw F 78,688,630 were credited as budgetary income in 1991, which fell short of the approved estimate by Sw F 36,172.

	<u>Approved estimates Sw F</u>	<u>Income credited Sw F</u>	<u>(Shortfall)/ Excess of income Sw F</u>
Contributions assessed on contracting parties	77,400,000	77,400,000	-
Contribution assessed on contracting party subsequent to the adoption of the scale of contributions	-	8,694	8,694
Miscellaneous income	<u>1,324,802</u>	<u>1,279,936</u>	<u>(44,866)</u>
	78,724,802	78,688,630	(36,172)
	=====	=====	=====

17. Net miscellaneous income fell short against the estimated figure by Sw F 44,866, details of which are outlined below:

	<u>1991 Estimated Sw F</u>	<u>1991 Actual Sw F</u>	<u>Balance Sw F</u>
Sale of publications	285,000	171,309	(113,691)
Profit or (loss) on exchange	(50,000)	(59,522)	(9,522)
Savings or (losses) on previous year's outstanding obligations	20,000	95,281	75,281
Refund of staff costs for staff employed at Centre William Rappard on behalf of other occupants	830,000	869,039	39,039
Overhead on Trust Funds	25,000	10,134	(14,866)
Rental of meeting rooms and office space at "Centre William Rappard" to others	20,000	17,950	(2,050)
Contributions of Observer countries	23,000	14,054	(8,946)
Other:			
Interest on current account	150,000	138,393	(11,607)
Various	<u>21,802</u>	<u>23,298</u>	<u>1,496</u>
	1,324,802	1,279,936	(44,866)
	=====	=====	=====

18. As shown in Annex A, at 31 December 1991, the total contributions in arrears from contracting parties amounted to Sw F 23,473,216, of which Sw F 7,117,953 represented the arrears for the year 1991 only.

III. SURPLUS ACCOUNT

19. The Surplus Account, reproduced in Annex B, shows an accumulated deficit of Sw F 5,035,336 at 31 December 1991, due to: (a) the negative opening balance as at 1 January 1991 reduced by a transfer from the provision for contributions in arrears (document L/6928, paragraph 32.b.): Sw F 261,327; (b) the repayment to the Working Capital Fund in respect of 1990 deficit: Sw F 4,570,123; (c) an increase in the provision for contributions in arrears: Sw F 497,818; (d) the writing-off of irrecoverable debts: Sw F 91, and (e) the shortfall of actual miscellaneous income over estimated miscellaneous income: Sw F 44,866. This was partially offset by (a) the restitution of the 1989 deficit: Sw F 325,802; (b) an assessment on a contracting party subsequent to the adoption of the 1991 scale of contributions: Sw F 8,694, and (c) a budgetary surplus for 1991: Sw F 4,393.

20. Of the Sw F 5,035,336 deficit, Sw F 4,892,759 were covered by the transfer of the entire Working Capital Fund, thus leaving an uncovered balance of Sw F 142,577.

21. Further to a proposal by the Director-General, the Committee recommends to the Council that the uncovered balance of Sw F 142,577 as at 31 December 1991 be covered by anticipated receipt in 1992 of contributions in arrears.

IV. EARLY PAYMENT ENCOURAGEMENT SCHEME

22. Pursuant to the Council's approval (C/M/226) of the Budget Committee's recommendation (L/6384) to introduce a system to encourage payment of contributions, interest earned on the current year's contributions is refunded to contracting parties on the basis of calculations which take account of the amount and date of payment. Annex C shows the apportionment of the amount of Sw F 257,347 earned as interest in 1991. The apportioned amounts will be deducted from the relevant contracting parties' assessed contributions for 1993.

V. WORKING CAPITAL FUND

23. In accordance with the authority contained in document L/756, paragraph 10, of 27 November 1957, which stipulates that subsequent receipts of outstanding contributions are to be credited to the Working Capital Fund to the extent necessary to reimburse the advance made, Sw F 4,570,123 was repaid to the Working Capital Fund in respect of the advance made in 1990. Together with the interest of Sw F 278,775 credited to it, the principal of the Fund at 31 December 1991 amounted to Sw F 4,937,817. Taking into account the amount of Sw F 99,604 receivable from contracting parties and Sw F 54,546 payable to contracting parties, only Sw F 4,892,759 were actually available. This whole amount was transferred to offset part of the accumulated deficit.

POINTS FOR DECISION: Paragraph 14
Paragraph 21

ANNEXA/ANNEXE A/ANEXO A

STATEMENT OF OUTSTANDING CONTRIBUTIONS AS AT 31 DECEMBER 1991 (1)/ETAT DES ARRIERES DE CONTRIBUTIONS
AU 31 DECEMBRE 1991 (1)/ESTADO DE CONTRIBUCIONES PENDIENTES AL 31 DE DICIEMBRE DE 1991 (1)

Contracting Parties and Associated Governments/ Parties Contractantes et Gouvernements associés/ Partes Contratantes y Gobiernos asociados	Swiss Francs/Francis suisses/Francos suizos					Total
	1969/1987	1988	1989	1990	1991	
Antigua and Barbuda/Antigua et Barbuda/ Antigua y Barbuda.....	72,120	72,228	19,137	22,080	23,202	208,767
Argentina/Argentine.....					10,954	10,954
Bangladesh.....					69,539	69,539
Belize/Bélize/Belice.....	1,094	—	—	—	—	1,094
Benin/Bénin.....	322,938	72,228	19,137	22,080	23,202	459,585
Bolivia/Bolivie.....					14,667	14,667
Botswana.....	72,120	72,228	31,895	36,800	30,936	243,979
Brazil/Brésil/Brasil.....					738,892	738,892
Burkina Faso.....	314,514	—	—	22,080	22,997	359,591
Burundi.....	594,395	72,228	19,137	22,080	23,202	731,042
Cameroon/Cameroun/Camerún.....	63,790	—	—	36,800	38,263	138,853
Central African Republic/République centrafricaine/República Centroafricana.....	477,900	72,228	19,137	22,080	23,202	614,547
Chad/Tchad.....	760,481	59,378	19,137	22,080	23,202	884,278
Chile/Chili.....					149,460	149,460
Congo.....	504,227	72,228	25,516	29,440	23,202	654,613
Costa Rica.....				4,476	46,404	50,880
Cuba.....	350,000	—	—	108	208,038	558,146
Dominican Republic/République dominicaine/ República Dominicana.....	673,388	—	38,274	44,160	46,404	802,226
El Salvador.....					14,180	14,180
France/Francia.....					3,976,659	3,976,659
Gabon/Gabón.....	192,480	—	9,862	44,160	38,670	285,172
Gambia/Gambie.....	590,173	72,228	19,137	22,080	23,202	726,820
Ghana.....	182,296	72,228	25,516	23,440	30,936	340,416
Guatemala.....	—	—	—	—	8,694	8,694
Guyana.....	329,450	72,228	19,137	22,080	23,202	466,097
Haiti/Haïti/Haití.....	200,200	—	19,137	22,080	23,202	264,619
Japan/Japon/Japón.....					180,759	180,759
Kenya.....	72,772	61,040	44,653	51,520	46,404	276,389
Korea, Republic of/Corée, République de/ Corea, República de.....					155,356	155,356
Lesotho.....					23,202	23,202
Macau/Macao.....					9,349	9,349
Madagascar.....	188,535	—	—	5,984	23,129	217,648
Malawi.....	33,286	—	—	—	—	33,286
Maldives/Maldivas.....	14,709	—	—	—	—	14,709
Mauritania/Mauritanie.....	636,619	72,228	19,137	22,080	23,202	773,266
Mexico/Mexique/México.....					48,596	48,596
Nicaragua.....	412,136	53,353	—	22,080	23,087	510,656
Niger/Niger.....	276,811	72,228	19,137	22,080	23,202	413,458
Norway/Norvège/Noruega.....					5,254	5,254

(1) Taking into account the Scale of Contributions to the final 1991 budget (L/6870, Schedule II) approved by the Council on 11 July 1991/En tenant compte du Barème des Contributions au budget final de 1991 (L/6870, Etat II) approuvé par le Conseil le 11 juillet 1991/Tomando en cuenta la Escala de Contribuciones al presupuesto final de 1991 (L/6870, Estado II) aprobada por el Consejo el 11 de julio de 1991.

STATEMENT OF OUTSTANDING CONTRIBUTIONS AS AT 31 DECEMBER 1991 (1)/ETAT DES ARRIERES DE CONTRIBUTIONS
AU 31 DECEMBRE 1991 (1)/ESTADO DE CONTRIBUCIONES PENDIENTES AL 31 DE DICIEMBRE DE 1991 (1)

Contracting Parties and Associated Governments/ Parties Contractantes et Gouvernements associés/ Partes Contratantes y Gobiernos asociados	Swiss Francs/Francs suisses/Francos suizos					Total
	1989/1987	1988	1989	1990	1991	
Peru/Pérou/Perú.....	399,086	—	—	18,705	92,809	510,600
Philippines/Filipinas.....	293,079	—	—	—	81,451	374,530
Portugal.....	—	—	—	—	19,086	19,086
Romania/Roumanie/Rumania.....	683,280	—	—	—	—	683,280
Rwanda.....	—	—	19,137	22,080	23,202	64,419
Senegal/Sénégal.....	324,202	—	—	22,080	22,982	369,264
Sierra Leone/Sierra Leona.....	683,300	72,228	19,137	22,080	23,202	819,947
Suriname.....	210,360	72,228	19,137	22,080	23,202	347,007
Tanzania/Tanzanie/Tanzania.....	437,059	—	—	—	—	437,059
Togo.....	111,427	—	—	—	23,123	134,550
Tunisia/Tunisie/Túnez.....	—	—	—	—	12,462	12,462
Turkey/Turquie/Turquía.....	—	—	—	—	18,257	18,257
Uganda/Ouganda.....	506,778	72,228	19,137	22,080	23,202	643,425
United States of America/Etats-Unis d'Amérique/ Estados Unidos de América.....	2,398,095	—	—	—	—	2,398,095
Uruguay.....	—	—	—	3,540	38,518	42,058
Yugoslavia/Yougoslavie.....	—	—	—	—	400,282	400,282
Zaire/Zaire.....	430,900	72,228	51,032	29,440	30,936	614,536
Zambia/Zambia.....	57,393	—	—	22,080	30,885	110,358
Zimbabwe.....	—	—	—	—	38,253	38,253
TOTALS	13,871,393	1,257,191	494,666	732,013	7,117,953	23,473,216

(1) Taking into account the Scale of Contributions to the final 1991 budget (L/6870, Schedule II) approved by the Council on 11 July 1991/En tenant compte du Barème des Contributions au budget final de 1991 (L/6870, Etat II) approuvé par le Conseil le 11 juillet 1991/Tomando en cuenta la Escala de Contribuciones al presupuesto final de 1991 (L/6870, Estado II) aprobada por el Consejo el 11 de julio de 1991.

ANNEX B

Surplus Account for the year ended 31 December 1991 (in Swiss francs)

<u>DEBITS</u>		<u>CREDITS</u>	
Balance at 1 January 1991		Resitution of the 1989 over – expenditure	325,802
Transfer from the provision for contributions in arrears to partially offset the uncovered balance at 31 December 1990		Excess of expenditure over income:	
		Contributions assessed on contracting parties subsequent to the adoption of the 1991 scale of contributions – Guatemala	8,694
Repayment of Working Capital Fund			
Increase of provision for all contributions in arrears:		1991 budgetary surplus	4,393
Transfer to provision for contributions in arrears in respect of 1991 contributions in arrears		Shortfall of actual miscellaneous income over estimated miscellaneous income	(44,866)
Transfer from provision for contributions in arrears in respect of receipts of arrears in 1991		Accumulated deficit at 31 December 1991	(31,779)
Receipts of arrears in 1991	(6,728,635)		
Amount of arrears received in 1991 and utilized to partially offset the uncovered balance of 31 December 1990	108,500	Transfer from Working Capital Fund	4,892,759
	(6,620,135)	Uncovered balance at 31 December 1991	142,577
Write – off of irrecoverable debts	497,818		
	91		
	<u>5,329,359</u>		<u>5,035,336</u>
			<u>5,329,359</u>

ANNEX C / ANNEXE C / ANEXO C

EARLY PAYMENT ENCOURAGEMENT SCHEME: INTEREST DISTRIBUTED/
PLAN DES CONTRIBUTIONS: INTERETS RISTOURNES/PLAN DE INCENTIVOS
PARA EL PRONTO PAGO DE CONTRIBUCIONES: INTERESES REEMBOLSADOS

Contracting Parties and Associated Governments/ Parties Contractantes et Gouvernements associés/ Partes Contratantes y Gobiernos asociados	Sw F/FS
Argentina/Argentine.....	690
Australia/Australie.....	5,779
Austria/Autriche.....	5,520
Barbados/Barbade.....	60
Belgium/Belgique/Bélgica.....	14,766
Belize/Bélize/Belice.....	39
Bolivia/Bolivie.....	38
Brazil/Brésil/Brasil.....	50
Canada/Canadá.....	20,178
Chile/Chili.....	22
Colombia/Colombie.....	661
Côte d'Ivoire.....	311
Cyprus/Chypre/Chipre.....	191
Czech and Slovak (FR)/Tchéque et Slovaque (RF)/ Checa y Eslovaca (RF).....	1,452
Denmark/Danemark/Dinamarca.....	5,238
Egypt/Egypte/Egipto.....	838
Finland/Finlande/Finlandia.....	4,051
France/Francia.....	858
Germany/Allemagne/Alemania.....	31,580
Greece/Grèce/Grecia.....	1,236
Hong Kong.....	10,843
Hungary/Hongrie/Hungría.....	1,641
Iceland/Islande/Islandia.....	109
India/Inde.....	1,956
Indonesia/Indonésie.....	3,246
Ireland/Irlande/Irlanda.....	3,091
Israel/Israël.....	282
Italy/Italie/Italia.....	18,154
Jamaica/Jamaïque.....	74
Japan/Japon/Japón.....	18,611
Korea, Republic of/Corée, République de/ Corea, República de.....	5,584
Kuwait/Koweït.....	233
Luxembourg/Luxemburgo.....	1,346
Macau/Macao.....	148
Malawi.....	68
Malaysia/Malaisie/Malasia.....	807
Maldives/Maldivas.....	107
Malta/Malte.....	178
Mauritius/Maurice/Mauricio.....	168
Mexico/Mexique/México.....	845
Morocco/Maroc/Marruecos.....	361
Myanmar, Union of/Myanmar, Union du/ Myanmar, Unión de.....	121

EARLY PAYMENT ENCOURAGEMENT SCHEME: INTEREST DISTRIBUTED/
PLAN DES CONTRIBUTIONS: INTERETS RISTOURNES/PLAN DE INCENTIVOS
PARA EL PRONTO PAGO DECONTRIBUCIONES: INTERESES REEMBOLSADOS

Contracting Parties and Associated Governments/ Parties Contractantes et Gouvernements associés/ Partes Contratantes y Gobiernos asociados	Sw F/FS
Netherlands, Kingdom of/Pays-Bas, Royaume des/ Países Bajos, Reino de los.....	15,538
New Zealand/Nouvelle-Zélande/Nueva Zelanda.....	1,395
Nigeria/Nigéria.....	218
Norway/Norvège/Noruega.....	4,444
Pakistan/Pakistán.....	106
Philippines/Filipinas.....	472
Poland/Pologne/Polonia.....	2,419
Portugal.....	1,644
Romania/Roumanie/Rumania.....	640
Singapore/Singapour/Singapur.....	2,207
South Africa/Afrique du Sud/Sudáfrica.....	3,346
Spain/Espagne/España.....	6,154
Sri Lanka.....	134
Sweden/Suède/Suecia.....	8,868
Switzerland/Suisse/Suiza.....	9,771
Tanzania/Tanzanie/Tanzania.....	91
Thailand/Thaïlande/Tailandia.....	2,495
Trinidad and Tobago/Trinité-et-Tobago/ Trinidad y Tobago.....	115
Tunisia/Tunisie/Túnez.....	327
Turkey/Turquie/Turquía.....	901
United Kingdom of Great Britain and Northern Ireland/ Royaume-Uni de Grande-Bretagne et d'Irlande du Nord/ Reino Unido de Gran Bretaña e Irlanda del Norte.....	22,247
United States of America/Etats-Unis d'Amérique/ Estados Unidos de América.....	11,894
Venezuela.....	390
TOTAL	257,347