

# GENERAL AGREEMENT ON

## TARIFFS AND TRADE

RESTRICTED

L/7288

5 August 1993

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### REPORT OF THE COMMITTEE ON BUDGET, FINANCE AND ADMINISTRATION

#### INTRODUCTION

1. The Committee on Budget, Finance and Administration met on 22 July 1993.

2. The Committee was chaired by H.E. Mr. K. Kesavapany of Singapore and the membership of the Committee was as follows:

Australia	India	Singapore
Brazil	Israel	Spain
Canada	Italy	Sweden
Chile	Jamaica	Switzerland
Colombia	Japan	United Kingdom
France	Korea, Rep. of	United States
Germany, Fed. Rep.	Malaysia	Venezuela
Hong Kong	Netherlands	Zaire
Hungary	Nigeria	

3. Mexico and Tanzania were represented by Observers.

4. The Agenda in document GATT/AIR/3470 was adopted.

GATT SECRETARIAT

I. FINANCIAL IMPLICATIONS OF THE APPOINTMENT OF THE  
NEW DIRECTOR-GENERAL (CRP(93)9)

5. A member of the Secretariat introduced document CRP(93)9 relating to the financial implications of the appointment of the new Director-General.

6. The Committee was in general agreement with the proposal but had a number of questions with regard to the question of secretarial staff needed by the Deputy Directors-General. It was agreed that the Secretariat be asked to look into the matter and explore prospects for rationalization of work. It was further agreed that this question would be reverted to at the next meeting.

7. The Committee decided to recommend to the Council that the financial implications linked to the appointment of a new Director-General be financed by utilizing the 1993 credit of Sw F 100,000 under the budget section for Unforeseen Expenditure with the balance being withdrawn from the Working Capital Fund by application of paragraph (iii)(b) of the rules governing the use of the Fund.

8. The Committee noted that any over-expenditure should not exceed Sw F 417,000 (see next item of report).

II. PERFORMANCE AGAINST BUDGET AS AT 30 JUNE 1993 (CRP(93)11)

9. A member of the Secretariat introduced document CRP(93)11 and explained that the slight over-expenditure foreseen for the end of the year was essentially due to the changes in the top management of the GATT.

10. The Committee discussed the document in detail, particularly with regard to the projected over-expenditure on missions. In response to a query it was noted that the Director-General and Deputy Directors-General travelled first class outside Europe, while all other staff members travelled business class outside Europe.

11. The Committee thought that discretionary spending should be controlled in order to minimize the possibility of an end-year overspending. In this regard, the Committee considered that the expenditure for budget item 6 (Missions) should not exceed the 1992 expenditure of Sw F 564,900, which would bring the expected over-expenditure down to some Sw F 417,000 (see the revised Performance Against Budget as at 30 June attached as Annex I to this report). On that understanding, the Committee took note of the report.

III. FINAL POSITION OF THE 1992 BUDGET OF THE GATT (L/7258)

12. The excess expenditure of appropriations on various sections amounted to Sw F 501,219 which was totally offset by savings of Sw F 2,921,927 on other sections, plus Sw F 100,000 for Unforeseen Expenditure, leading to overall budgetary surplus of Sw F 2,520,708.

13. With regard to the Surplus Account, the accumulated deficit at the end of 1992 was Sw F 934,208.

14. The level of miscellaneous income in the 1992 financial year was less than foreseen, due to the income from the sale of publications being less than anticipated and the loss on the exchange rate which was greater than foreseen (the 1992 budget was based on US\$/Sw F 1.47 whereas the average rate over the year was US\$/Sw F 1.40). Finally, returns on investments were less than had been envisaged.

15. The Committee decided to recommend to the Council that transfers between sections of Sw F 501,219, which are necessary in order to cover the excess expenditure over approved appropriations on the sections mentioned in paragraph 17 of document L/7258 by savings on other sections, be approved.

IV. INFORMATION PAPER ON THE GATT DATA BASES (CRP(93)12)

16. The Committee examined briefly document CRP(93)12 relating to the GATT data bases. A member of the Committee was pleased to receive the information and requested that the matter be re-examined after his authorities had had an opportunity to study the document in greater detail. It was suggested that, if there were questions, delegations could also take the matter up directly with the Director of the Statistics and Information Systems Division.

17. The Committee took note of the information paper.

V. INFORMATION PAPER ON THE GATT DOCUMENT DATA BASE (DDB) (Spec(93)19)

18. A member of the Secretariat introduced the subject of the GATT Document Data Base (DDB). He explained that the object was to provide a more modern system of access to GATT documentation for both the Secretariat and delegations. Work was proceeding in four stages, which will be finished in 1995. In response to a question, it was stated that the programmes in use in the United Nations and in the GATT were very different in size, given the volume of information each system had to contain. For that reason, it was not certain to what extent each was compatible with the other. However, the GATT system was based on PC (personal computer) technology and would be certainly user-friendly.

19. The Committee took note of the information paper.

VI. CASH SITUATION AND STATEMENT OF OUTSTANDING CONTRIBUTIONS  
AS AT 30 JUNE 1993 (CRP(93)13 and Spec(93)25)

20. The documents presented by the Secretariat included a statement on the cash situation as at 30 June 1993, 1992 and 1991 and a statement of outstanding contributions as at 30 June 1993. The new format of the Outstanding Contributions Statement was explained by the Secretariat.

21. The Committee took note of the reports.

VII. CONTRIBUTIONS BY OBSERVER COUNTRIES TOWARDS THE COST OF  
DOCUMENTATION SERVICES PROVIDED BY THE SECRETARIAT -  
PROGRESS REPORT AS AT 30 JUNE 1993 (CRP(93)14)

22. The Chairman informed the Committee that, following a request from the Council, the Secretariat had undertaken a study to determine the real, as opposed to the marginal costs of Observers. The report of this study will be submitted to the Committee at its next meeting.

23. The Committee took note of the report.

VIII. ADMINISTRATIVE MEASURES: AVOIDANCE OF ARREARS IN THE FUTURE -  
PROGRESS REPORT AS AT 30 JUNE 1993 (CRP(93)15)

24. The Committee examined document CRP(93)15 and was informed by the Chairman that the informal working group established to look at the question of contributions in arrears had met several times and that a report to the Committee would be presented at its autumn session.

IX. INSTALMENT PAYMENTS FOR COUNTRIES WITH CONTRIBUTIONS IN ARREARS -  
PROGRESS REPORT AS AT 30 JUNE 1993 (CRP(93)16)

25. A member of the Secretariat introduced document CRP(93)16 which provided information on the thirty-two contracting parties which were at the minimum in 1988 and the six contracting parties assessed above the minimum in 1988. It was underlined that, in view of the payments received, the scheme was successful in respect of the six contracting parties above the minimum.

26. The Committee took note of the report.

X. CONTRIBUTION TO THE GATT BUDGET: ACCESSION OF SAINT LUCIA (L/7254)

27. Consequent to the accession to the GATT of the Government of Saint Lucia (document L/7200), the Committee decided to recommend to the Council that a contribution to the 1993 budget amounting to Sw F 26,280 be assessed on this Government. This assessment is based on an annual contribution of 0.03 per cent, which is the minimum contribution, taking into account Saint Lucia's foreign trade for the years 1989-1991. Further, on the basis of the level of the Working Capital Fund of Sw F 5,395,962 on 13 April 1993, the Committee recommends to the Council to assess an amount of Sw F 26,980 on the Government of Saint Lucia as an advance to the Fund.

XI. CONTRIBUTION TO THE GATT BUDGET: ACCESSION OF DOMINICA (L/7256)

28. Consequent to the accession to the GATT of the Government of Dominica (document L/7203), the Committee decided to recommend to the Council that a contribution to the 1993 budget amounting to Sw F 26,280 be assessed on this Government. This assessment is based on an annual contribution of 0.03 per cent, which is the minimum contribution, taking into account Dominica's foreign trade for the years 1989-1991. Further, on the basis of the level of the Working Capital Fund of Sw F 5,442,769 on 20 April 1993, the Committee recommends to the Council to assess an amount of Sw F 27,114 on the Government of Dominica as an advance to the Fund.

XII. CONTRIBUTION TO THE GATT BUDGET: ACCESSION OF ST. VINCENT AND THE GRENADINES (L/7255)

29. Consequent to the accession to the GATT of the Government of St. Vincent and the Grenadines (document L/7225), the Committee decided to recommend to the Council that a contribution to the 1993 budget amounting to Sw F 26,280 be assessed on this Government. This assessment is based on an annual contribution of 0.03 per cent, which is the minimum contribution, taking into account St. Vincent and the Grenadines' foreign trade for the years 1988-1990. Further, on the basis of the level of the Working Capital Fund of Sw F 5,449,576 on 18 May 1993, the Committee recommends to the Council to assess an amount of Sw F 27,248 on the Government of St. Vincent and the Grenadines as an advance to the Fund.

POINTS FOR DECISION: Paragraph 7  
Paragraph 15  
Paragraph 27  
Paragraph 28  
Paragraph 29

INTERNATIONAL TRADE CENTRE UNCTAD/GATT

I. ADMINISTRATIVE CO-OPERATION BETWEEN GATT AND THE UN (CRP(93)10)

30. It was recalled that there had been discussions on several occasions in the Committee on co-operation between the GATT and the UN with regard to the ITC. As it had been suggested to the Secretariat that it explore how it might be possible to improve co-operation between the two ITC parent bodies, a member of the Secretariat undertook a mission to New York; the results of the mission were contained in document CRP(93)10.

31. The Committee welcomed the information on the first contacts with the United Nations on the ITC and the measures outlined. It was agreed that the process of increased contact and co-operation was in its initial stage, and that the Committee would continue to review the matter.

32. The Committee then took note of the report.

ANNEX I

Performance Against Budget as at 30 June 1993 (Rev.1)

(in Swiss francs)

Budget Item	1992	1993			
	Expenditure Accounts (1)	Appropriation (2)	Expenditure as of 30 June (3)	Expected further expenditure (4)	Projected year end expenditure (5) (3) + (4)
1 Session of the CONTRACTING PARTIES	8,210.35	8,000.00	—	8,000.00	8,000.00
2 Meetings of the Council	172,445.94	190,000.00	84,048.00	105,645.00	189,693.00
3 Salaries	37,074,458.63	40,560,000.00	19,292,761.20	20,329,148.00	39,621,909.20
4 Common staff costs	11,453,152.62	12,144,000.00	5,216,497.31	7,779,132.95	12,995,630.26
5 Dispute Settlement Panels	186,507.95	150,000.00	118,255.75	149,945.40	268,201.15
6 Missions	564,926.15	499,000.00	220,469.33	344,456.67	564,926.00
7 Common services	7,635,385.24	8,111,000.00	4,046,106.91	4,002,341.18	8,048,448.09
8 Printing	558,151.89	550,000.00	38,835.06	475,244.20	514,079.26
9 Representation and hospitality	142,074.60	169,000.00	60,659.65	129,840.35	190,500.00
10 Permanent Equipment	283,189.54	185,000.00	21,118.10	209,912.75	231,030.85
11 Staff assistance fund	30,000.00	30,000.00	30,000.00	—	30,000.00
12 Trade Policy Training Courses	1,145,078.89	1,182,000.00	529,899.99	614,096.65	1,143,996.64
13 Uruguay Round	7,804,316.98	8,690,000.00	3,469,606.04	4,789,350.60	8,258,956.64
14 Trade Policy Review Mechanism	3,596,553.68	3,717,000.00	1,432,084.84	2,167,593.85	3,599,678.69
15 Interpretation replacement	211,000.00	250,000.00	131,932.10	118,000.00	249,932.10
16 Unforeseen expenditure	—	100,000.00	—	—	—
17 International Trade Centre	12,325,839.08	12,505,000.00	6,252,000.00	7,290,000.00	13,542,000.00
18 Restitution of last year's deficit	261,327.43	—	—	—	—
<b>Total</b>	<b>83,452,618.97</b>	<b>89,040,000.00</b>	<b>40,944,274.28</b>	<b>48,512,707.60</b>	<b>89,456,981.88</b>
----- (416,981.88) -----					

N.B. This Performance Against Budget Report as of 30 June 1993 has been prepared following discussions in the meeting of the Budget Committee on 22 July 1993 during which it was decided that:

- (i) the 1993 expenditure under Section 6 (Missions) should not be higher than in 1992;
- (ii) the provision of Sw F 100,000 under Section 16 (Unforeseen Expenditure) will be utilized to cover the first Sw F 100,000 of the financial implications linked to the appointment of a new Director-General. Any deficit will be met by a withdrawal from the Working Capital Fund.