

GENERAL AGREEMENT ON

TARIFFS AND TRADE

RESTRICTED

Spec(89)10
18 April 1989

ADMINISTRATIVE AND FINANCIAL QUESTIONS

Request of Bangladesh to Review the Basis for Calculation of its Contribution to the GATT Budget for 1989

Note by the Secretariat

During the council meeting held on 19-20 October 1988, the representative of Bangladesh expressed the view that the adoption of the new scale of contributions as recommended by the Committee on Budget, Finance and Administration in document L/6384 did not reflect the situation of the least-developed countries like Bangladesh. It therefore requested that during 1989, the Budget Committee evolve ways and means for the least-developed contracting parties to be assessed at the minimum level as from 1989.

Attached are the statement issued by Bangladesh at the Council meeting and various statistical evidence to facilitate the Committee's reflection on this matter.

1. Extract from the minutes of the Council meeting held on 19-20 October 1988 (C/M/226, paragraph 14)

" The representative of Bangladesh said that although his delegation had not opposed the recommendations in L/6384, it had some serious concerns. Bangladesh believed that the rationale of the Committee's exercise was to provide an incentive for the small and weakest contracting parties to pay their assessed contributions regularly and to clear their contributions in arrears; in that respect, his delegation associated itself with the essence of the Budget Committee's recommendation to lower the minimum level of contribution. However, the new scale did not reflect the situation of the least-developed countries like Bangladesh, which would be seriously aggrieved for the following reasons: (1) Twenty-five contracting parties having greater economic weight and strength as manifested by higher per capita GNPs than that of Bangladesh, had been proposed to be assessed at the minimum level of 0.03 per cent; eighteen others had been proposed to be assessed at lower levels than that of Bangladesh. (2) For many developing countries, such as Bangladesh, their volume of imports was three times that of exports, and as trade share was based on both, this element should be considered. (3) Bangladesh's status as a least-developed country and the realities of its economic situation, battered by recurring natural disasters, had not been taken into account; to assess Bangladesh on the basis of trade share would amount to treating it as an equal among non-equals. He said that the end-result of the recommendation was not equitable and did not do justice to the weakest trading partners. The rigid application of the proposed scale of assessment defeated its very purpose. For these reasons, Bangladesh requested that during 1989, the Budget Committee evolve ways and means for the least-developed contracting parties to be assessed at the minimum level as from 1989, for the sake of fairness and equity."

2. Statistical evidence

A. Least-developed countries and their 1989 contributions to the GATT budget

The table below shows the list of least-developed countries as published by the United Nations Statistical Office (UNSO) in its January 1989 edition of the monthly bulletin of statistics.

It describes their status towards GATT and for the contracting parties, it gives the percentage and the amount of their contribution to the GATT budget for 1989. The underlined are the countries whose contribution exceed the minimum level of 0,03 per cent.

Country	Contribution	
	Z	SwF
AFGHANISTAN	OBSERVER	
<u>BANGLADESH</u>	0,09	57,411
BENIN	0,03	19,137
BHUTAN	N/A*	
<u>BOTSWANA</u>	0,05	31,895
BURKINA FASO	0,03	19,137
BURMA	0,03	19,137
BURUNDI	0,03	19,137
CAPE VERDE	OBSERVER	
CENTRAL AFRICAN REPUBLIC	0,03	19,137
CHAD	0,03	19,137
COMOROS	N/A	
DEMOCRATIC YEMEN	OBSERVER	
DJIBOUTI	N/A	
EQUATORIAL GUINEA	OBSERVER	
ETHIOPIA	N/A	
GAMBIA	0,03	19,137
GUINEA	OBSERVER	
GUINEA-BISSAU	OBSERVER	
HAITI	0,03	19,137
KIRIBATI	OBSERVER	
LAO PDR	OBSERVER	

Country	Contribution	
	%	SwF
LESOTHO	0,03	19,137
MALAWI	0,03	19,137
MALDIVES	0,03	19,137
MALI	OBSERVER	
MAURITANIA	0,03	19,137
NEPAL	OBSERVER	
NIGER	0,03	19,137
RWANDA	0,03	19,137
SAMOA	N/A	
SAO TOME AND PRINCIPE	OBSERVER	
SIERRA LEONE	0,03	19,137
SOMALIA	OBSERVER	
SUDAN	OBSERVER	
TOGO	0,03	19,137
TUVALU	OBSERVER	
UGANDA	0,03	19,137
<u>UNITED REPUBLIC OF TANZANIA</u>	0,04	25,516
VANUATU	N/A	
YEMEN	OBSERVER	

* N/A: Not applicable - non contracting party

B. The following is a list of the contracting parties other than least-developed countries, assessed at the minimum contribution level of 0,03 per cent:

ANTIGUA AND BARBUDA
BARBADOS
BELIZE
GUYANA
MADAGASCAR
NICARAGUA
SURINAME