

GENERAL AGREEMENT ON  
TARIFFS AND TRADE

RESTRICTED

C/M/82

1 November 1972

Limited Distribution

---

COUNCIL  
31 October 1972

MINUTES OF MEETING

Held in the Palais des Nations, Geneva,  
on 31 October 1972

Chairman: Mr. C.H. ARCHIBALD (Trinidad and Tobago)

Subject discussed: Administrative and financial questions

Administrative and financial questions

Report of the Committee on Budget, Finance and Administration (L/3747)

The Chairman referred to the Report of the Committee on Budget, Finance and Administration on its examination of the Director-General's budget estimates for 1973 in respect of the GATT and the International Trade Centre budget estimates for 1973. The Committee had also considered other financial and administrative questions. As the report had only become available on 19 October, consideration of the report had been deferred to the present meeting.

Mr. Moehler (Federal Republic of Germany), Chairman of the Committee, said that the Committee had given particular attention to the situation of contributions in arrears and stressed the Committee's recommendation that governments pay their contributions as early as possible in the year in which they fall due.

With regard to the examination of the 1973 GATT budget estimates, two subjects influenced the Committee's deliberations on the entire 1973 budget. The first of these was the effect on the estimates of the internal accounting rate change effective 1 October 1972, which had necessitated an increase of the original estimates by \$46,600. The second subject was the provision made for the forthcoming Trade Negotiations and their preparation, for which, in view of their importance, the Committee felt that sufficient funds should be made available to ensure their adequate servicing and the necessary assistance to interested developing countries. With this

in mind, and particularly the magnitude of their effect on the budget level, the Committee had found itself able to recommend some economies which it felt could be made. In view of the high proportion of expenditure in local currency, the Committee had recommended that the GATT expenditure and income budget be expressed in Swiss francs with effect from 1973, and thus had recommended a revised GATT budget for 1973 of Sw F 21,527,000.

With regard to the discussions on the 1973 budget estimates of the Centre, he pointed out that the Committee's examination had been very much focussed on the implementation of the proposal of the Advisory Committee on Administrative and Budgetary Questions to reduce the estimates by \$48,700, which ACABQ had felt could be achieved without prejudice to the Centre's work programme. However, the GATT Committee had recommended a lower reduction of \$29,900 as it recognized that no additional posts had been included in the Centre's regular budget and that the proposed higher level over 1972 represented only unavoidable increases. Some members of the Committee had been of the opinion that even this lower level of cut would adversely affect the programme delivery and regretted this reduction. After taking into account the amount of \$66,700 added to the original estimates in order to provide for the effect on the budget of the change in the accounting rate and additional requirements not foreseen when the budget estimates were prepared, the Committee had recommended the approval of the 1973 Centre budget at the level of \$2,305,500, resulting in a GATT contribution of \$1,138,400.

Several representatives, while expressing concern at the rate of increase of approximately 20 per cent in the budget, recognized that these increases were largely the result of extraordinary factors such as the impact of changes in currency parities and the provisions made for the 1973 multilateral trade negotiations. The increase might be considered to be moderate in view of the tasks ahead but they hoped that the rate of increase would be lower in subsequent budgets.

The representative of Nigeria expressed concern over the 50 per cent increase in his own Government's contribution. He hoped that in the multilateral trade negotiations the important increase in contributions by developing countries would be borne in mind and that sincere efforts be made to allow developing countries to draw more profit and benefit from these negotiations. He enquired about the basis for calculation of contributions. He also expressed doubts about economies which might be considered in connexion with the distribution of documents and publications. Finally, he emphasized that the intended increase in staff should reflect the international character of the secretariat.

In reply, the Director-General pointed out that a large part of the budget increase resulted from provisions made to ensure that technical assistance would be provided by the secretariat to developing countries in order to enable them to have full knowledge on which to base a decision regarding their participation in the multilateral trade negotiations and eventually to assist them technically during the negotiations. He pointed out that the increase in Nigeria's contribution was due in some measure to its increased share in world trade since contributions are based on the share of member countries in world trade. He also pointed out that the Committee had agreed that the question of economies to be achieved in the distribution of documents and publications should be studied in greater detail at its next meeting. With respect to the increase in staff, the Director-General stated that for its temporary staff requirements the secretariat would draw on its existing pool of candidates. Contracting parties always had the possibility of advising suitable candidates to apply to the GATT secretariat for consideration.

The representative of the United Kingdom enquired whether the secretariat could provide a short technical paper on the effects of the application of the changeover from a dollar to a Swiss franc budget. He also mentioned that for national budgetary reasons his Government would pay its contribution at the beginning of its fiscal year in April.

The Chairman invited comments on Section B of the Committee's report concerning the International Trade Centre.

The representative of India expressed some reservations on the reductions of \$29,900 in the budget estimates of the Centre, especially in view of the fact that the Advisory Committee on Administrative and Budgetary Questions had been satisfied that its proposed reduction of \$48,700 "could be achieved in the regular budget of the International Trade Centre for 1973 without prejudice to its work programme". It was, therefore, clear that ACABQ did not contemplate any reduction in the Centre's work programme in achieving this economy. His delegation was prepared to accept reductions in the budget estimates which would be effected without adversely affecting the work programme. However, the cuts proposed by the GATT Budget Committee included a cut in the provision for consultants and temporary assistance and the reduction of market surveys from four to three. The Indian delegation felt that it was not a wise economy to reduce the number of market surveys published by the Centre in order to save \$6,000 in printing costs while maintaining the staff engaged in this work at the same level.

The representatives of Brazil, Israel and Pakistan associated themselves with the view expressed by the representative of India.

The Council approved the Recommendations contained in paragraphs 15, 17, 18, 30, 31 and 35 of Section A of the Report dealing with the GATT secretariat. The Council approved the Recommendations in paragraphs 38 and 58 of Section B of the Report - the International Trade Centre.

The Council approved the Report as a whole and recommended its adoption by the CONTRACTING PARTIES, including the recommendations contained therein and the Resolution on the Expenditure of the CONTRACTING PARTIES in 1973 and the Ways and Means to meet such expenditure.