GENERAL AGREEMENT ON
TARIFFS AND TRADE

RESTRICTED

L/4336
5 May 1976

Limited Distribution

ADMINISTRATIVE AND FINANCIAL QUESTIONS

Final Position of the 1975 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 a total of SwF 28,267,000 for the financial year 1975. Obligations incurred in 1975 totalled SwF 27,014,694, leaving an unencumbered balance of SwF 1,252,306. This surplus is due to savings of SwF 1,300,496 and the non-utilization of the provision for unforeseen expenditure of SwF 200,000, reduced by the excess expenditure of SwF 248,190 referred to in paragraph 5 below.

3. Savings were made on the following sections:

			Swiss francs
PART I	- Section 1 -	Thirty-first Session of the CONTRACTING PARTIES	95,940
PART II	- Section 1 -	Salaries, wages and official travel	341,050
	- Section 2 -	Common staff costs	257,899
	- Section 3 -	Common services	58,019
	- Section 4 -	Printing	211,081
	- Section 5 -	Representation and hospitality	3,896
	- Section 6 -	Public information	3,794
PART V	- Section 1 -	Contribution to the International Trade Centre UNCTAD/GATT	328,817
			1,300,496

4. The savings reported above are due to a number of factors. Firstly, since the 1975 GATT budget was expressed in Swiss francs, savings were made on payments based on or due in dollars, such as salaries and allowances, pension fund contributions and the GATT contribution to the International Trade Centre budget. Secondly, savings were also made on salaries due to the fact that a certain number of established posts remained unfilled during various periods of the financial year. Savings were realized on the item for printing mainly due to the non-utilization of the provisions for a trade study, for the pamphlet "GATT What it is", for the Certification of Changes to Schedules and for the comparative tabulations resulting from the Tariff Study. Further, savings were made on the section for the 31st Session of the CONTRACTING PARTIES since the meeting lasted two days only, whereas provision was made for a two-week session. Savings were also realized on items for postal services, other common services, representation and hospitality and public information.

5. Transfers of SwF 248,190 are necessary in order to cover excess expenditure over approved appropriations incurred in Part I - Section 2 - Meetings of the Council and other meetings (SwF 42,083), in Part II - Section 7 - Permanent equipment (SwF 35,279) and in Part IV - Section 1 - Trade Negotiations (SwF 170,828). The excess expenditure incurred in Part I on the item for temporary assistance for meetings is a result of the need to recruit additional temporary personnel due to the fact that, when the 1975 budget estimates were prepared, it was not possible to establish a final programme of meetings for 1975 and, therefore, the same figures as approved for 1974 were maintained, taking into account, however, higher salary costs in 1975. With regard to permanent equipment, excess expenditure was incurred as a result of the urgent need to purchase an addressing machine and to install a computer terminal for use in Trade Negotiations activities. Further excess expenditure was incurred in connexion with the purchase of Compactus storage units at the former ILO building at a very advantageous price upon vacation by the ILO of the premises and for the urgent need to replace a service car. Excess expenditure for the Trade Negotiations resulted from the need to recruit additional temporary personnel due to accelerated Trade Negotiations activities in 1975 and to rent eight additional offices during most of the year. Authority is sought to increase the appropriations accordingly by the following transfers between budgetary sections:

FROM:	SwF	TO:	SwF
PART I: MEETINGS		PART I: MEETINGS	
Section 1 - Thirty-first Session of the CONTRACTING PARTIES		Section 2 - Meetings of the Council and other meetings	
Temporary assistance (including overtime)	42,083	Temporary assistance (including overtime)	42,083

	SwF
PART II: SECRETARIAT	
Section 2 - Common staff costs	
Separation payments	55,822
Repatriation grants	84,576
	140,398
Section 3 - Common services	
Postal services	7,612
Other services	50,407
	58,019
Section 5 - Representation and hospitality	3,896
Section 6 - Public information	3,794
Total	248,190

	SwF
PART II: SECRETARIAT	
Section 7 - Permanent equipment	35,279
PART IV: TRADE NEGOTIATIONS	
Section 1 - Trade Negotiations	
Temporary assistance (including overtime)	68,672
Common staff costs	47,567
Rental of meeting rooms	54,589
	170,828
	248,190

II. INCOME BUDGET

6. Amounts totalling SwF 28,393,099 were credited as income in 1975 and exceeded the approved estimates by SwF 126,099 as follows:

	Approved estimates	Income credited	Excess of income
	SwF	SwF	SwF
(a) Contributions assessed on contracting parties	26,335,000	26,335,000	-
(b) Contribution assessed on a contracting party subsequent to the adoption of the scale of contributions	-	26,880	26,880
(c) Transfer from the 1974 Surplus Account	1,250,000	1,250,000	-
(d) Miscellaneous income	682,000	781,219	99,219
	28,267,000	28,393,099	126,099

7. The excess of Miscellaneous income over the approved estimate is mainly due to the increased income on investments (SwF 60,195) as a consequence of slightly higher than anticipated interest rates obtained on short-term Swiss franc investments. In addition, the excess is due to a higher level of savings than anticipated on the previous year's outstanding obligations (SwF 36,775), a higher refund than anticipated of the GATT contribution to the Pension Fund in respect of participant withdrawals (SwF 27,814) and other miscellaneous items (SwF 339). This excess is offset by losses on exchange during the financial year (SwF 21,947) and a shortfall in income from sale of publications (SwF 3,957).

8. At 31 December 1975 contributions in arrears from contracting parties amounted to US$146,644 for the financial years 1963-1972, and SwF 1,889,125 for the financial years 1973-1975 (Annex A).

III. SURPLUS ACCOUNT

9. The Surplus account, reproduced in Annex B, shows a surplus of SwF 689,070 as at 31 December 1975. The Director-General has recommended (document L/4341) that part of this amount be used to cover the additional cost for 1975 arising from the revised scales of salaries and family allowances applicable to staff in the General Service category with retroactive effect from 1 August 1975 and 1 April 1975 respectively. As regards the balance, the Director-General intends to put proposals for its disposal to the Committee on Budget, Finance and Administration at a later date for consideration and appropriate recommendation to the CONTRACTING PARTIES.

ANNEX A

CONTRIBUTIONS IN ARREARS AS AT 31 DECEMBER 1975

Country	US dollars			Swiss francs 1973	1974	1975	Total 1973/1975
Bangladesh						36,900 4/	36,900
Belgium						86,353 4/	86,353
Brazil						23,669	23,669
Burundi	(1972)	24 4/	24	25,500 5/	27,800	31,600	84,900
Cambodia				12,106	27,800	31,600	71,506
Central African Republic	(1972)	5,330	5,330	25,500	27,800	31,600	84,900
Chad	(1969)	3,810					
	(1970)	4,170					
	(1971)	4,580					
	(1972)	5,330	17,890	25,500	27,800	31,600	84,900
Chile				4,793	71,700	63,200	139,693
Colombia 1/						26,880	26,880
Congo	(1972)	1,767	1,767	25,500	27,800	31,600	84,900
Dahomey					27,800 4/	31,600 5/	59,400
Dominican Rep.	(1966)	2,421					
	(1967)	9,000					
	(1968)	3,790					
	(1969)	3,810					
	(1970)	4,170					
	(1971)	4,580					
	(1972)	5,330	33,101	25,500	27,800	31,600	84,900
Gabon						5,052	5,052
Gambia						11,697	11,697
Ghana						30,416	30,416
Greece						12,184 4/	12,184
Haiti 2/	(1963)	2,492					
	(1964)	2,500					
	(1965)	2,500					
	(1966)	2,500					
	(1967)	3,000					
	(1968)	3,790					
	(1969)	3,810					
	(1970)	4,170					
	(1971)	4,580					
	(1972)	5,330	34,672	25,500	27,800	31,600	84,900
Indonesia						81,600	81,600

ANNEX A (Cont'd)

Country	US dollars			Swiss francs 1973	1974	1975	Total 1973/1975
Korea						113,300 4/	113,300
Malaysia						129,000	129,000
Mauritania					1,409 4/	31,600 5/	33,009
Nicaragua	(1972)	4,910	4,910	25,500	27,800	31,600	84,900
Nigeria						134,300	134,300
Philippines						200	200
Rhodesia 3/	(1966)	11,640					
	(1967)	9,000					
	(1968)	6,630					
	(1969)	5,710					
	(1970)	5,220					
	(1971)	4,970					
	(1972)	5,780	48,950	25,500	27,800	31,600	84,900
Rwanda					8,509	31,600	40,109
Senegal						1,398	1,398
Sierra Leone						31,600	31,600
Tanzania					6,339 4/	31,600 4/	37,939
Togo						13,489 4/	13,489
Tunisia						3,012 4/	3,012
Uganda						31,600	31,600
Zaire					13,519	42,100	55,619
			146,644	220,899	379,476	1,288,750	1,889,125
1963 to 1972: US$146,644 at SwF 2.66 to US$1:							390,072
							2,279,197

1/ SwF 7,120 also due in respect of Working Capital Fund assessment.

2/ SwF 56 also due in respect of Working Capital Fund assessment.

3/ SwF 1,383 also due in respect of Working Capital Fund assessment.

4/ Received since 1.1.1976.

5/ Partially received since 1.1.1976.

ANNEX B

SURPLUS ACCOUNT

(in Swiss francs)

Balance at 1 January 1975		3,035,610
Excess of 1975 income over estimated income	99,219	
Contribution assessed on a contracting party subsequent to the adoption of the scale of contributions	26,880	
Unencumbered balance on the 1975 expenditure budget	1,252,306	
		1,378,405
		4,414,015
Transfer from provision for contributions in arrears in respect of receipts of arrears in 1975	586,163	
Adjustment to provision for contributions in arrears in respect of contributions due in US dollars	13,486	
		599,649
		5,013,664
Deduct:		
Transfers towards 1975 income (L/4097)	1,250,000	
Transfer to Special Reserve (L/4229)	515,610	
Transfer to Building Fund (L/4097)	1,250,000	
Transfer to Staff Assistance Fund (L/4097)	20,000	
Transfer to provision for contributions in arrears in respect of 1975 contributions in arrears	1,288,750	
Transfer to accounts receivable to write off debts irrecoverable	234	
		4,324,594
Balance at 31 December 1975		689,070