

GENERAL AGREEMENT ON TARIFFS AND TRADE

ADMINISTRATIVE AND FINANCIAL QUESTIONS

Final Position of the 1982 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 period, the Director-General's proposals for the 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 submits the following information for consideration by the Council.

I. EXPENDITURE BUDGET

2. The CONTRACTING PARTIES appropriated Sw F 45,501,000 for the financial year 1982. Total obligations incurred in 1982 amounted to Sw F 45,059,851, leaving an unencumbered balance of Sw F 441,149. This surplus is due to savings of Sw F 775,050 detailed in paragraphs 3 and 4 and the non-utilization of the provision of Sw F 200,000 for unforeseen expenditure, partially offset by excess expenditure amounting to Sw F 533,901 referred to in paragraphs 5 and 6 below.

3. Savings were made on the following sections:

		<u>Swiss francs</u>
<u>Section 3</u>	Salaries and wages and official missions	476,106
<u>Section 4</u>	Common staff costs	35,065
<u>Section 5</u>	Common services	176,353
<u>Section 6</u>	Printing	80,024
<u>Section 8</u>	Public information	2,190
<u>Section 9</u>	Permanent equipment	7
<u>Section 12</u>	Commercial Policy Training Courses	5,305
		<u>775,050</u>

4. The savings reported above are due to a number of factors. Those made on the sections covering salaries and wages and official missions and common staff costs were mainly due to efforts made by the Director-General, in response to requests by the Committee on Budget, Finance and Administration, to compensate unavoidable over-expenditure in some areas of the budget, such as for the Ministerial Meeting and for GATT's contributions to the International Trade Centre UNCTAD/GATT, by a most stringent use of staff resources. Some regular posts were maintained unfilled for relatively long periods by recourse to the redeployment of available staff, and the recruitment for posts which became vacant during the year was delayed whenever

possible, despite the consequent hardship caused in divisions by these measures. Similar measures, coupled with redistribution of tasks, led to further savings in respect of temporary assistance. With respect to common services, savings accrued principally as a result of (a) the delayed installation of certain additional text processing machinery and economies in the use of computer time; (b) a lower cost for postal services as a result of the institution of a more rational and consequently more economical mailing procedure; (c) a lower cost for cleaning services, made possible by a rationalization of the services covered, and (d) rebates obtained on insurance covering the organization's liabilities under Appendix D of the Staff Rules. These economies were partially offset by excess expenditure principally in respect of maintenance, reproduction and distribution of documents and office supplies. Savings that accrued on the item for printing were mainly due to the partial utilization only of the credits approved for the loose-leaf system of tariff schedules.

5. Excess expenditure over approved appropriations was incurred on the following sections:

	<u>Swiss francs</u>
<u>Section 1</u> Thirty-eighth session of the CONTRACTING PARTIES	78,634
<u>Section 2</u> Meetings of the Council and other meetings	77,036
<u>Section 7</u> Representation and hospitality	4,104
<u>Section 13</u> Contribution to the International Trade Centre UNCTAD/GATT	<u>374,127</u>
	<u>533,901</u>

6. The Committee on Budget, Finance and Administration had noted at its meeting in May 1982 that additional costs would accrue to the 1982 budget in respect of holding the Thirty-eighth Session of the CONTRACTING PARTIES at Ministerial level. As no additional budgetary provisions were made in respect of these additional costs, excess expenditure was incurred on the budgetary item for the Thirty-eighth Session in respect of temporary assistance for interpretation, for the rental of additional office space and for miscellaneous expenditure. In addition, over-spending in respect of meetings of the Council and other meetings resulted from the intensive preparatory meeting activity in 1982 for the Ministerial Meeting, coupled with the fact that it was not always possible to avoid recourse to additional interpretation services resulting from simultaneous meetings. The hospitality item was exceeded in respect of special hospitality offered in the context of the Ministerial Meeting. Regarding GATT's contribution to the budget of the International Trade Centre UNCTAD/GATT, the Committee on Budget, Finance and Administration, at its meeting in October 1982, approved revised estimates of expenditure by some Sw F 375,000 for the Centre for 1982, made necessary by the adverse effect of currency fluctuations, as well as additional unforeseen inflationary and statutory increases.

7. Transfers between budgetary sections of Sw F 533,901 are necessary in order to cover excess expenditure over approved appropriations mentioned in paragraph 5 above and authority is sought to increase these appropriations accordingly as follows:

<u>FROM:</u>	<u>Sw F</u>	<u>TO:</u>	<u>Sw F</u>
<u>PART II: SECRETARIAT</u>		<u>PART I: MEETINGS</u>	
<u>Section 3 - Salaries and wages and official missions:</u>	234,957	<u>Section 1 - Thirty-eighth session of the CONTRACTING PARTIES:</u>	
<u>Section 4 - Common staff costs:</u>		Temporary assistance (interpreters)	6,306
Contribution to UN Joint Staff Pension Fund	35,065	Rental of meeting rooms and additional office space	19,064
<u>Section 5 - Common services:</u>		Other services	53,264
Postal services	25,040		78,634
Other services	151,313		-----
	176,353	<u>Section 2 - Meetings of the Council and other meetings</u>	
<u>Section 6 - Printing</u>	80,024	Temporary assistance (interpreters)	75,934
<u>Section 8 - Public information</u>	2,190	Other services	1,102
<u>Section 9 - Permanent equipment</u>	7		77,036
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<u>PART IV - COMMERCIAL POLICY TRAINING COURSES</u>		<u>PART II - SECRETARIAT</u>	
<u>Section 12 - Commercial Policy Training Courses</u>	5,305	<u>Section 7 - Representation and hospitality</u>	4,104
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		<u>PART V - INTERNATIONAL TRADE CENTRE UNCTAD/GATT</u>	
		<u>Section 13 - Contribution to the International Trade Centre UNCTAD/GATT</u>	374,127
	533,901		374,127
	=====		533,901
			=====

II. INCOME BUDGET

8. Amounts totaling Sw F 45,536,700 were credited as budgetary income in 1982, exceeding the approved estimates by Sw F 35,700 as follows:

	<u>Approved estimates</u> <u>Sw F</u>	<u>Income credited</u> <u>Sw F</u>	<u>Excess of income</u> <u>Sw F</u>
a) Contributions assessed on contracting parties	44,310,000	44,310,000	-
b) Contributions assessed on contracting parties subsequent to the adoption of the scale of contributions (Thailand: Sw F 22,430; Zambia: Sw F 53,170):	-	75,600	75,600
c) Transfer from Surplus Account (L/5196)	95,736	95,736	-
d) Miscellaneous income	<u>1,095,264</u>	<u>1,055,364</u>	<u>(39,900)</u>
	<u>45,501,000</u>	<u>45,536,700</u>	<u>35,700</u>

9. The shortfall of miscellaneous income Sw F 39,900 is mainly due to the lower level of actual income from interest on investments resulting from a slower than anticipated receipt of contracting parties' contributions (Sw F 123,594), from sales of publications, due to delays in the availability for sale of the loose-leaf system of Tariff Schedules, mentioned in paragraph 4 above (Sw F 70,033), to losses on exchange (Sw F 19,148) and from a lower refund of staff costs for staff employed at the Centre William Rappard on behalf of others (Sw F 33,402). This refund is made by the Office of the United Nations High Commissioner for Refugees, one of the other occupants of the Centre William Rappard, in respect of its share of the cost of security staff and telephonists payrolled by GATT. The lower refund is offset by lower costs under the relevant headings of the expenditure budget. In addition the overhead contributions representing 13 per cent of expenditure in respect of a trust fund for a special training course was lower than anticipated due to a lower level of expenditure for the course (Sw F 4,604). The shortfall is partially offset by an excess of income with respect to a higher level of savings than anticipated on the previous year's outstanding obligations (Sw F 108,466) resulting principally from lower costs than anticipated in respect of staff members' grants and entitlements and in respect of computer use, for refunds of the organization's contribution to the United Nations Joint Staff Pension Fund in respect of participant withdrawals (Sw F 44,069), for rental of meeting rooms and office space at the Centre William Rappard to others (Sw F 6,150) and for other income (Sw F 52,196).

III. SURPLUS ACCOUNT

10. The Surplus Account, reproduced in Annex B, showed a deficit of Sw F 1,556,572 at 31 December 1982.

IV. WORKING CAPITAL FUND

11. An amount of Sw F 1,608,491 was repaid to the Working Capital Fund from the General Fund in 1982 in respect of the advance made in 1981. A withdrawal of Sw F 1,556,572 was required at 31 December 1982 to cover the 1982 deficit on the General Fund. The authority contained in document L/756, paragraph 10, of 27 November 1957, 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.

POINT FOR DECISION: Paragraph 7

ANNEX A

STATEMENT OF OUTSTANDING CONTRIBUTIONS AS AT 31 DECEMBER 1982/ETAT DES ARRIERES DE CONTRIBUTIONS AU 31 DECEMBRE 1982/
CONTRIBUCIONES PENDIENTES AL 31 DE DICIEMBRE DE 1982

Country/Pays/Pais	US dollars/Dollars des Etats-Unis/Dólares FEUD 1969/1972	Swiss francs/Francis suisses/Francos suizos					Total 1973/1982
		1973/1978	1979	1980	1981	1982	
Argentina/Argentine						43,454	43,454
Bangladesh						53,170	53,170
Barbados/Barbade						8,379	8,379
Belgium/Belgique/Bélgico						90,181	90,181
Benin/Bénin						51,738	51,738
Burundi		71,095	45,400	46,800	48,480	53,170	264,945
Central African Republic/République centrafricaine/República Centroafricana							
Chad/Tchad		99,022	45,400	46,800	48,480	53,170	292,872
Congo, People's Republic of the/ République populaire du Congo/ República Popular del Congo	1969/1972	213,300	45,400	46,800	48,480	53,170	407,150
Dominican Republic/République Dominicaine/ República Dominicana							
Gabon	1971/1972	37,862	45,400	46,800	48,480	53,170	231,712
Gambia/Gambie		213,300	45,400	46,800	48,480	53,170	407,150
Ghana		66,873	45,400	46,800	48,480	53,170	260,723
Greece/Grèce/Grecia				41,232	48,480	53,170	142,882
Haiti/Haïti						1,483	1,483
Ivory Coast/Côte d'Ivoire/ Costa de Marfil		39,472	45,400	46,800	48,480	53,170	233,322
Kampuchea, Democratic/Kampuchea démocratique/Kampuchea Democrática						44,355	44,355
Madagascar		199,906	45,400	46,800	48,480	53,170	393,756
Mauritania/Mauritanie		113,319	45,400	46,800	48,480	33,713	307,169
Nicaragua		178,938	45,400	46,800	48,480	53,170	372,788
Niger					3,709	53,170	56,879
Peru/Pérou/Perú			75,600	70,200	76,760	66,470	289,030
Poland/Pologne/Polonia						545,020	545,020
Senegal/Sénégal		21,816	45,400	46,800	48,480	53,170	215,666
Sierra Leone/Sierra Leona		160,000	45,400	46,800	48,480	53,170	353,850
Tanzania/Tanzanie/Tanzania				5,959	48,480	53,170	107,609
Thailand/Thaïlande/Thailandia						22,430	22,430
Togo						53,170	53,170
Tunisia/Tunisie/Túnez				18,653	48,480	13,144	120,303
Uganda/Ouganda		49,270	45,400	46,800	48,480	53,170	13,144
Upper Volta/Haute-Volta/ Alto Volta						53,170	53,170
Uruguay		21,609	45,400	46,800	48,480	53,170	215,459
Yugoslavia/Yougoslavie						310,170	310,170
Zaire/Zaire						53,170	101,450
Zambia						53,170	53,170
Total		1,485,782	711,200	791,244	952,909	2,453,447	6,394,582

US\$22,312 at SwF 2.13 to US\$1.- equivalent to / 22.312 dollars EU à 2.13 FS par dollar EU, équivalent à /
22.312 dolares EF.UU a 2.13 FS por dolar, que equivalen a

47,524
6,442,106
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ANNEX B

SURPLUS ACCOUNT
(in Swiss francs)

Balance at 1 January 1982		95,736
Transfer to 1982 income (L/5196)		<u>(95,736)</u>
		-
Contributions assessed on contracting parties subsequent to the adoption of the 1982 scale of contributions (Thailand Sw F 22,430; Zambia Sw F 53,170)	75,600	
Shortfall of 1982 miscellaneous income over estimated income	(39,900)	
Unencumbered balance on the 1982 expenditure budget	<u>441,149</u>	476,849
Transfer from provision for contributions in arrears in respect of receipts of arrears in 1982	2,028,517	
Adjustment to provision for contributions in arrears in respect of contributions due in US dollars	<u>(8,255)</u>	
		<u>2,020,262</u>
		2,497,111
Repayment to Working Capital Fund	(1,608,491)	
Transfer to provision for contributions in arrears in respect of 1982 contributions in arrears	(2,453,447)	
Revaluation of outstanding contributions assessed in US dollars	<u>8,255</u>	
		<u>(4,053,683)</u>
1982 deficit		(1,556,572)
Transfer from Working Capital Fund		<u>1,556,572</u>
Balance at 31 December 1982		<u>=====</u>