

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

L/5633

2 May 1984

Limited Distribution

ADMINISTRATIVE AND FINANCIAL QUESTIONS

Final Position of the 1983 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 originally appropriated Sw F 48,559,000 for the financial year 1983. Subsequently, a supplementary appropriation of Sw F 1,078,000 was approved to cover additional requirements arising from decisions taken at the session of the CONTRACTING PARTIES held, at Ministerial level, in November 1982 (L/5460). Total appropriations for 1983 thus amounted to Sw F 49,637,000. Obligations incurred in 1983 amounted to Sw F 47,793,670 leaving an unencumbered balance of Sw F 1,843,330. This surplus is due to savings of Sw F 1,676,400 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 33,070 referred to in paragraphs 5 and 6 below. It should be noted that the above-mentioned balance of Sw F 1,843,330 had to be used to reduce the overall deficit shown on the Surplus Account.

3. Savings were made on the following sections:

		<u>Swiss francs</u>
<u>Section 1</u>	Thirty-ninth session of the CONTRACTING PARTIES	7,669
<u>Section 3</u>	Salaries and wages and official missions	1,104,724
<u>Section 4</u>	Common staff costs	249,830
<u>Section 5</u>	Common services	217,609
<u>Section 6</u>	Printing	64,530
<u>Section 7</u>	Representation and hospitality	27,067
<u>Section 8</u>	Public information	4,912
<u>Section 9</u>	Permanent equipment	59
		<u>1,676,400</u> =====

4. The savings reported above are due to a number of factors. Those made in respect of the Thirty-ninth session of the CONTRACTING PARTIES result principally from the fact that the session lasted for three days only whereas provision was made in the 1983 budget for a session of one week. As the Director-General reported to the Committee on Budget, Finance and Administration in October 1983, the savings made on the sections covering salaries and wages and official missions and common staff costs were mainly due to his policy of delaying recruitment for vacant posts and from difficulties encountered in the process of selection of candidates. In addition, the actual rate of inflation was lower than anticipated and the resulting impact on salaries as well as on common services was not as great as had been foreseen, whilst the increase in pensionable remuneration anticipated, and provided for, in 1983 did not occur. Moreover, the provision for printing the Tariff Schedules in loose-leaf form was only partially used and a study in International Trade that had been foreseen was not produced.

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

	<u>Swiss francs</u>
<u>Section 2</u> Meetings of the Council and other meetings	21,125
<u>Section 12</u> Commercial Policy Training Courses	129
<u>Section 13</u> Contribution to the International Trade Centre UNCTAD/GATT	<u>11,816</u>
	33,070
	=====

6. The higher than anticipated expenditure for meetings of the Council and other meetings was due, principally, to a greater number than anticipated of other meetings in 1983 and, in particular, to simultaneous meetings, calling for an increased level of recruitment of interpreters to service meetings taking place at a time when GATT's regular interpreters were already occupied. With regard to the relatively small increased contribution payable to the International Trade Centre UNCTAD/GATT, this resulted from the effect of the application of more realistic inflation and exchange rates on the Centre's actual expenditure.

7. Transfers between budgetary sections of Sw F 33,070 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 I - MEETINGS</u>		<u>PART I - MEETINGS</u>	
<u>Section 1</u> Thirty-ninth session of the CONTRACTING PARTIES		<u>Section 2</u> Meetings of the Council and other meetings	
Temporary assistance	<u>7,669</u>	Temporary assistance	12,190
		Other services	<u>8,935</u>
<u>PART II - SECRETARIAT</u>			<u>21,125</u>
<u>Section 7</u> Representation and hospitality	<u>20,430</u>		
<u>Section 8</u> Public information	<u>4,912</u>	<u>PART IV - COMMERCIAL POLICY TRAINING COURSES</u>	
<u>Section 9</u> Permanent equipment	<u>59</u>	<u>Section 12</u> Commercial Policy Training Courses	<u>129</u>
		<u>PART V - INTERNATIONAL TRADE CENTRE UNCTAD/GATT</u>	
		<u>Section 13</u> Contribution to the International Trade Centre UNCTAD/GATT	<u>11,816</u>
	33,070		<u>33,070</u>
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II. INCOME BUDGET

8. Amounts totalling Sw F 49,652,893 were credited as budgetary income in 1983, exceeding the approved estimates by Sw F 15,893 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	48,538,000	48,538,000	-
b) Contributions assessed on contracting parties subsequent to the adoption of the scale of contributions (Belize: Sw F 58,250; Maldives: Sw F 58,250)	-	116,500	116,500
c) Miscellaneous income	<u>1,099,000</u>	<u>998,393</u>	<u>(100,607)</u>
	49,637,000	49,652,893	15,893
	=====	=====	=====

9. The net shortfall of miscellaneous income, amounting to Sw F 100,607, resulted from a number of factors, as follows:

	<u>(Shortfall)/excess</u> <u>of income</u> <u>Sw F</u>	
Actual income from interest on investments was lower than anticipated due to a slower rate of receipt of contracting parties' contributions and from lower rates of interest	(171,465)	
The income from sales of publications did not reach the anticipated level due to delays in availability for sale of the loose-leaf system of Tariff Schedules	(67,589)	
Losses on exchange were incurred for which budgetary provision is not made	(70,437)	
Refunds of the organization's contribution to the United Nations Joint Staff Pension Fund, resulting from participants' withdrawals were lower than anticipated as a result of the UN General Assembly's decision to discontinue such refunds	(24,821)	
Shortfall on other sundry items	<u>(23,269)</u>	(357,581)
Savings on the previous year's outstanding obligations were greater than anticipated due principally to lower costs than had been foreseen for staff members' grants and entitlements and for computer use	81,682	
Refund of staff costs for staff employed at the Centre William Rappard on behalf of others exceeded the estimates. The refund of these costs 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 higher level of refund is offset by higher costs under the relevant headings of the expenditure budget	38,309	
Income in respect of the rental of meeting rooms and office space at the Centre William Rappard to others was higher than anticipated	2,250	
A refund on GATT's 1982 contribution to the International Trade Centre UNCTAD/GATT budget for the biennium 1982-1983 was received in 1983	<u>134,733</u>	
		<u>256,974</u>
		(100,607)
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III. SURPLUS ACCOUNT

10. The Surplus Account, reproduced in Annex B, showed a deficit of Sw F 1,226,058 at 31 December 1983.

IV. WORKING CAPITAL FUND

11. An amount of Sw F 1,556,572 was repaid to the Working Capital Fund from the General Fund in 1983 in respect of the advance made in 1982. A withdrawal of Sw F 1,226,058 was required at 31 December 1983 to cover the accumulated deficit on the General Fund at that date. 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/ANNEXE A/ANEXO A

STATEMENT OF OUTSTANDING CONTRIBUTIONS AS AT 31 DECEMBER 1983/ETAT DES ARRIERES DE CONTRIBUTIONS AU 31 DECEMBRE 1983
CONTRIBUCIONES PENDIENTES AL 31 DE DICIEMBRE DE 1983

Country/Pays/País	US dollars/Dollars des États-Unis/Dólares EEUU 1969/1972	Swiss francs/Francis suisses/Francos suízos					Total 1973/1983
		1973/1979	1980	1981	1982	1983	
Argentina/Argentine	4,850	4,850
Belize/Belice	58,250	58,250
Benin/Bénin	51,738	58,250	109,988
Burundi	116,495	46,800	48,480	53,170	58,250	323,195
Central African Republic/République centrafricaine/República Centroafricana	144,422	46,800	48,480	53,170	58,250	351,122
Chad/Tchad	1969/1972 15,815	258,700	46,800	48,480	53,170	58,250	465,400
Congo, People's Republic/ Congo, République populaire/ Congo, República Popular	44,989	46,800	48,480	53,170	58,250	251,689
Cuba	77,720	77,720
Dominican Republic/République Dominicaine/ República Dominicana	1971/1972 6,497	258,700	46,800	48,480	53,170	58,250	465,400
Gabon/Gabón	18,367	18,367
Gambia/Gambie	112,273	46,800	48,480	53,170	58,250	318,973
Ghana	27,507	53,170	58,250	138,927
Greece/Grèce/Grecia	22,296	22,296
Guyana/Guyane	58,250	58,250
Haiti/Haïti/Haití	75,425	46,800	48,480	53,170	58,250	282,125
Hungary/Hongrie/Hungría Ivory Coast/Côte d'Ivoire/Costa de Marfil	5,930	5,930
Kampuchea, Democratic/Kampuchea démocratique/Kampuchea Democrática	245,306	46,800	48,480	53,170	58,250	452,006
Kenya	58,250	58,250
Madagascar	33,713	58,250	91,963
Malaysia/Malaysiae/Malasia	330,050	330,050
Maldives/Maldivas	58,250	58,250
Mauritania/Mauritanie	158,719	46,800	48,480	53,170	58,250	365,419

Country/Pays/País	US dollars/Dollars des États-Unis/Dólares EEUU <u>1969/1972</u>	Swiss francs/Francis suisses/Francos suízos					Total 1973/1983
		1973/1979	1980	1981	1982	1983	
Nicaragua	.	224,238	46,800	48,480	53,170	58,250	431,038
Niger/Níger	11,788	58,250	70,038
Peru/Pérou/Perú	.	75,600	70,200	76,760	66,470	92,220	381,250
Philippines/Filipinas	49,897	49,897
Poland/Pologne/Polonia	519,350	519,350
Senegal/Sénégal	.	.	12,728	48,480	53,170	58,250	172,628
Sierra Leone/Sierra Leona	.	205,400	46,800	48,480	53,170	58,250	412,100
Spain/Espagne/España	17,030	17,030
Tanzania/Tanzanie/Tanzania	.	.	5,959	48,480	53,170	58,250	165,859
Togo	40,661	58,250	98,911
Tunisia/Tunisie/Túnez	1,940	1,940
Turkey/Turquie/Turquía	9,217	9,217
Uganda/Ouganda	.	94,670	46,800	48,480	53,170	58,250	301,370
Upper Volta/Haute-Volta/Alto Volta	.	67,009	46,800	48,480	53,170	58,250	273,709
Uruguay	58,250	58,250
Yugoslavia/Yougoslavie	354,320	354,320
Zaire/Zaire	.	.	.	48,280	53,170	58,250	159,700
Zambia/Zambie	53,170	58,250	111,420
TOTAL	22,312	2,082,046	697,287	879,747	1,161,430	3,102,781	7,923,291

US\$22,312 at Sw F 2.18 to US\$1.- equivalent to / 22.312 dollars EU à 2,18 FS par dollar EU, équivalent à/
22.312 dólares EE.UU a 2,18 FS por dolar, que equivalen a

48,640
7,971,931
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ANNEX B

SURPLUS ACCOUNT
(in Swiss francs)

Balance at 1 January 1983		
Contributions assessed on contracting parties subsequent to the adoption of the 1983 scale of contributions (Belize: Sw F 58,250; Maldives: Sw F 58,250)	116,500	
Shortfall of 1983 miscellaneous income over estimated income	(100,607)	
Unencumbered balance on the 1983 expenditure budget	<u>1,843,330</u>	1,859,223
Transfer from provision for contributions in arrears in respect of receipts of arrears in 1983	1,574,072	
Adjustment to provision for contributions in arrears in respect of contributions due in US dollars	<u>(1,116)</u>	
		<u>1,572,956</u>
		3,432,179
Repayment to Working Capital Fund		(1,556,572)
Transfer to provision for contributions in arrears in respect of 1983 contributions in arrears		(3,102,781)
Revaluation of outstanding contributions assessed in US dollars		<u>1,116</u>
		<u>(4,658,237)</u>
Accumulated deficit at 31 December 1983		(1,226,058)
Transfer from Working Capital Fund		<u>1,226,058</u>
Balance at 31 December 1983		<u>-----</u> -----