

GENERAL AGREEMENT ON TARIFFS AND TRADE

ADMINISTRATIVE AND FINANCIAL QUESTIONS

Final Position of the 1984 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 51,805,000 for the financial year 1984. Total obligations incurred in 1984 amounted to Sw F 52,068,963 and the originally approved budget was therefore exceeded by Sw F 263,963.

3. Excess expenditure over approved appropriations of Sw F 858,375 (see paragraph 6 below) was partially offset by savings of Sw F 394,412 detailed in paragraphs 4 and 5 below and by the utilization of the provision of Sw F 200,000 for unforeseen expenditure approved in 1984 (L/5699, paragraph 17).

4. At its meeting in October 1984 (L/5699), the Committee on Budget, Finance and Administration noted that over-expenditure was expected to occur on 1984 budget due to factors outside the secretariat's control, and that the Director-General had been and was taking the strictest economy measures in order to limit the impact of the anticipated unavoidable additional expenditure to an absolute minimum. Savings totalling Sw F 394,412 were achieved on the following sections:

	<u>Sw F</u>
<u>Section 5</u> - Common Services	180,763
<u>Section 6</u> - Printing	108,686
<u>Section 7</u> - Representation and hospitality	20,059
<u>Section 8</u> - Public information	1,337
<u>Section 9</u> - Permanent equipment	83,567
	<u>394,412</u>
	=====

5. Regarding common services, it was possible to make savings in respect of expenditure for computer services, and on maintenance and cleaning expenses. The amount appropriated for printing was not fully utilized as certain publications scheduled for 1984 were not issued (Status of Legal Instruments, Analytical Index, Study in International Trade, Tariff Schedules, Booklet on subjects of interest to developing countries). Savings

also accrued in respect of representation and hospitality and public information. With regard to permanent equipment, the acquisition or replacement of a number of items was postponed whenever this proved to be possible.

6. Excess expenditure over approved appropriations of Sw F 858,375 was incurred on the following sections:

	<u>Sw F</u>
<u>Section 1</u> - Fortieth Session of the CONTRACTING PARTIES	6,551
<u>Section 2</u> - Meetings of the Council and other meetings	56,484
<u>Section 3</u> - Salaries and wages and official missions	139,026
<u>Section 4</u> - Common staff costs	484,940
<u>Section 12</u> - Commercial Policy Training Courses	15,136
<u>Section 13</u> - Contribution to the International Trade Centre UNCTAD/GATT	156,238
	<u>858,375</u> =====

7. The additional expenditure incurred in respect of the Fortieth Session of the CONTRACTING PARTIES resulted mainly from the increased cost of the rental of meeting facilities. With regard to meetings of the Council and other meetings, extra costs resulted principally from a greater number than anticipated of simultaneous meetings, other than Council meetings, calling for an increased level of recruitment of interpreters to service those meetings taking place at a time when GATT's regular interpreters were already occupied. Additional expenditure in respect of salaries and wages was mainly due to the increase of secretarial help and overtime. There was also a growth in the cost of dispute settlement panels.

8. With regard to common staff costs, the upwards movement throughout 1984 of the US dollar/Swiss franc exchange rate and the resulting effects on contributions to the United Nations Joint Staff Pension Fund, as well as decisions of the United Nations General Assembly, following the approval of the 1984 budget by the CONTRACTING PARTIES, concerning education grants and pension fund contributions, led to additional unforeseen expenditure. Turnover of staff in 1984 was also high, and the credits covering installation costs were exceeded. The provision for the Commercial Policy Training Courses was over-spent due to the continued acute shortage of reasonably-priced furnished accommodation in Geneva for the participants and the subsequent increase of the subsistence allowance. It should also be noted that excess expenditure resulted from the reproduction of documents, due to the heavy increase in documentation processed by the secretariat. With regard to the increased contribution payable to the International Trade Centre UNCTAD/GATT, this resulted from the revision of the Centre's budget estimates to take account of the increased US dollar/Swiss franc exchange rate and other increased costs.

9. In order to cover the net over-expenditure of Sw F 263,963, authority is hereby sought to increase the original appropriation as follows:

	<u>Sw F</u>
<u>Section 4 - Common staff costs:</u>	
Contribution to UNJSPF	231,884
Education grants	<u>32,079</u>
	<u>263,963</u>
	=====

This amount will be partially financed by transfer from the Working Capital Fund in accordance with the approval by the CONTRACTING PARTIES (SR.40/8) of the recommendation of the Committee on Budget, Finance and Administration in October 1984 (L/5699, paragraph 17).

10. In addition, transfers between budgetary sections of Sw F 594,412 are necessary in order to cover excess expenditure over approved appropriations on some sections by savings on other sections. Taking into account the authorization given to the Director-General to utilize to the extent necessary the provision of Sw F 200,000 under Part III - Unforeseen Expenditure (L/5699, paragraph 17), authority is hereby 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 5 - Common Services</u>		<u>Section 1 - Fortieth Session</u> of the CONTRACTING PARTIES	
Other services	<u>180,763</u>	Meeting rooms	<u>6,551</u>
<u>Section 6 - Printing</u>	<u>108,686</u>	<u>Section 2 - Meetings of the</u> Council and other meetings	
<u>Section 7 - Representation</u> and hospitality	<u>20,059</u>	Temporary assistance	<u>56,484</u>
<u>Section 8 - Public</u> information	<u>1,337</u>	<u>PART II - SECRETARIAT</u>	
<u>Section 9 - Permanent</u> equipment	<u>83,567</u>	<u>Section 3 - Salaries and</u> wages and official missions	
<u>PART III - UNFORESEEN</u> <u>EXPENDITURE</u>		Temporary assistance	<u>139,026</u>
<u>Section 11 - Unforeseen</u> expenditure	<u>200,000</u>	<u>Section 4 - Common staff</u> costs	
		Installation grants	78,700
		Travel and removal	109,571
		Family allowances	<u>32,706</u>
			<u>220,977</u>

<u>FROM:</u>	<u>Sw F</u>	<u>TO:</u>	<u>Sw F</u>
		<u>PART IV - COMMERCIAL POLICY</u> <u>TRAINING COURSES</u>	
		<u>Section 12 - Commercial</u> <u>Policy Training Courses</u>	
		Subsistence allowance	<u>15,136</u>
		<u>PART V - INTERNATIONAL TRADE</u> <u>CENTRE UNCTAD/GATT</u>	
		<u>Section 13 - Contribution to</u> <u>the International Trade</u> Centre UNCTAD/GATT	156,238
	<u>594,412</u> =====		<u>594,412</u> =====

II. INCOME BUDGET

11. Amounts totalling Sw F 51,514,884 were credited as budgetary income in 1984, falling short of the approved estimates by Sw F 290,116 as follows:

	<u>Approved</u> <u>estimates</u>	<u>Income</u> <u>credited</u>	<u>Excess/</u> <u>(shortfall)</u> <u>of income</u>
	<u>Sw F</u>	<u>Sw F</u>	<u>Sw F</u>
a) Contributions assessed on contracting parties	50,700,000	50,700,000	-
b) Contribution assessed on a contracting party subsequent to the adoption of the scale of contributions (Belize)	-	60,840	60,840
c) Miscellaneous income	<u>1,105,000</u>	<u>754,044</u>	<u>(350,956)</u>
	<u>51,805,000</u> =====	<u>51,514,884</u> =====	<u>(290,116)</u> =====

12. The net shortfall of miscellaneous income, amounting to Sw F 350,956, resulted from a number of factors, as follows:

	<u>Excess/(shortfall)</u> <u>of income</u> <u>Sw F</u>	
Interest on investments	(225,967)	
Sales of publications	(33,419)	
Losses on exchange	(135,821)	
Miscellaneous items	<u>(32,053)</u>	(427,260)
Savings on previous year's outstanding obligations	36,752	
Refund of staff costs for staff employed at the Centre William Rappard on behalf of other occupants	28,219	
Overhead contribution in respect of trust funds	<u>11,333</u>	
Net shortfall		<u>76,304</u> <u>(350,956)</u> =====

III. SURPLUS ACCOUNT

13. The Surplus Account, reproduced in Annex B, showed an accumulated deficit of Sw F 3,438,253 at 31 December 1984 due to (a) the excess of budgetary expenditure: Sw F 263,963; (b) the shortfall of miscellaneous income: Sw F 350,956; (c) the increase in the provision for contributions in arrears: Sw F 1,657,755; (d) the repayment to the Working Capital Fund in respect of the 1983 deficit: Sw F 1,226,058; (e) the writing-off of irrecoverable debts: Sw F 7,501. This was partially offset by a contribution assessed on a contracting party subsequent to the adoption of the 1984 scale of contributions (Belize): Sw F 60,840, and by the revaluation of outstanding contributions assessed in US dollars: Sw F 7,140.

14. Of the Sw F 3,438,253 deficit, Sw F 2,925,531 was covered by transfer from the Working Capital Fund, thus leading to an uncovered balance of Sw F 512,722. The Director-General intends to make appropriate recommendations with regard to covering this amount at a later date.

IV. WORKING CAPITAL FUND

15. In accordance with the authority contained in document L/756, paragraph 10, of 27 November 1957, which 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,

Sw F 1,226,058 was repaid to the Working Capital Fund in respect of the advance made in 1983. Taking into account the interest of Sw F 94,528 credited to it, the principal of the Fund amounted to Sw F 2,925,531 at 31 December 1984. This whole amount was transferred to offset part of the accumulated deficit at that date.

POINTS FOR DECISION: Paragraph 9
 Paragraph 10

ANNEX A/ANNEXE A/ANEXO A

STATEMENT OF OUTSTANDING CONTRIBUTIONS AS AT 31 DECEMBER 1984/ETAT DES ARRIERES DE CONTRIBUTIONS AU 31 DECEMBRE 1984
CONTRIBUCIONES PENDIENTES AL 31 DE DICIEMBRE DE 1984

Country/Pays/País	US dollars/Dollars des Etats-Unis/Dólares EEUU		Swiss francs/Francis suisses/Francos suizos					Total 1973/1984
	1969/1972	1971/1972	1973/1980	1981	1982	1983	1984	
Argentina/Argentine	263,640	263,640
Belize/Belize	60,840	119,090
Benin/Bénin	58,250	60,840	112,578
Brazil/Brésil/Brasil	51,738	679,380	679,380
Burkina Faso	.	.	113,809	48,480	53,170	58,250	60,840	334,549
Burundi	.	.	163,295	48,480	53,170	58,250	60,840	384,035
Cameroon/Cameroun	60,360	60,360
Central African Republic/République centrafricaine/República Centroafricana	.	.	157,231	48,480	53,170	58,250	60,840	377,971
Chad/Tchad	1969/1972	15,815	305,500	48,480	53,170	58,250	60,840	526,240
Congo, People's Republic/ Congo, République populaire/ Congo, República Popular	.	.	73,126	48,480	53,170	58,250	60,840	293,866
Cuba	77,720	157,170	234,890
Dominican Republic/République Dominicaine/ República Dominicana	1971/1972	6,497	305,500	48,480	53,170	58,250	60,840	526,240
Gabon/Gabón	31,013	31,013
Gambia/Gambie	.	.	159,073	48,480	53,170	58,250	60,840	379,813
Ghana	.	.	.	27,507	53,170	58,250	60,840	199,767
Greece/Grèce/Grecia	8,688	8,688
Guyana/Guyane	58,250	60,840	119,090
Haiti/Haïti/Haití	58,250	60,840	322,166
Ivory Coast/Côte d'Ivoire/Costa de Marfil	.	.	101,426	48,480	53,170	26,844	81,120	107,964
Kampuchea, Democratic/Kampuchea démocratique/Kampuchea Democrática	.	.	292,106	48,480	53,170	58,250	60,840	512,846
Madagascar	33,713	58,250	60,840	152,803
Maldives/Maldivas	60,840	60,840
Mauritania/Mauritanie	.	.	205,519	48,480	53,170	58,250	60,840	426,259

Country/Pays/País	US dollars/Dollars des Etats-Unis/Dólares EEUU 1969/1972	Swiss francs/Francis suisses/Francos suizos						Total 1973/1984
		1973/1980	1981	1982	1983	1984		
Nicaragua	.	230,529	48,480	53,170	1/	60,840	393,019	
Niger/Niger	.	.	.	11,788	58,250	60,840	130,878	
Nigeria/Nigéria	578,920	578,920	
Peru/Pérou/Perú	.	.	76,760	66,470	92,220	101,400	336,850	
Philippines/Filipinas	133,202	133,202	
Senegal/Sénégal	.	12,728	48,480	53,170	58,250	60,840	233,468	
Sierra Leone/Sierra Leona	.	252,200	48,480	53,170	58,250	60,840	472,940	
Tanzania/Tanzanie/Tanzanía	.	5,959	48,480	53,170	58,250	60,840	226,699	
Togo	.	.	.	21,970	58,250	60,840	141,060	
Uganda/Ouganda	.	141,470	48,480	53,170	58,250	60,840	362,210	
Uruguay	60,840	60,840	
Zaire/Zaire	.	.	48,280	53,170	58,250	60,840	220,540	
Zambia/Zambie	49,192	49,192	
TOTAL	22,312	2,519,471	879,747	1,037,831	1,471,772	3,665,085	9,573,906	

US\$22,312 at Sw F 2.50 to US\$1.- equivalent to / 22.312 dollars EU à 2,50 FS par dollar EU, équivalent à /
22.312 dólares EE.UU a 2,50 FS por dólar, que equivalen a

55,780
9,629,686
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1/ In conformity with the payment proposal approved by the CONTRACTING PARTIES in November 1982
En conformité avec la proposition de paiement approuvée par les PARTIES CONTRACTANTES en novembre 1982
En conformidad con la propuesta de pago aprobada por las PARTES CONTRATANTES en noviembre de 1982

ANNEX BSURPLUS ACCOUNT
(in Swiss francs)

Balance at 1 January 1984		-
Contribution assessed on a contracting party subsequent to the adoption of the 1984 scale of contributions (Belize)	60,840	
Shortfall of 1984 miscellaneous income over estimated income	(350,956)	
Excess of 1984 expenditure over estimated expenditure	<u>(263,963)</u>	(554,079)
Transfer from provision for contributions in arrears in respect of receipts of arrears in 1984	2,014,470	
Adjustment to provision for contributions in arrears in respect of contributions due in US dollars	<u>(7,140)</u>	<u>2,007,330</u>
		1,453,251
Repayment to Working Capital Fund	(1,226,058)	
Transfer to provision for contributions in arrears in respect of 1984 contributions in arrears	(3,665,085)	
Revaluation of outstanding contributions assessed in US dollars	<u>7,140</u>	
	(4,884,003)	
Transfer to accounts receivable to write off irrecoverable debts	<u>(7,501)</u>	<u>(4,891,504)</u>
Accumulated deficit at 31 December 1984		(3,438,253)
Transfers from Working Capital Fund		<u>2,925,531</u>
Balance at 31 December 1984 not covered by transfer from the Working Capital Fund		(512,722)
		=====