

GENERAL AGREEMENT ON

RESTRICTED

TARIFFS AND TRADE

L/6321

8 April 1988

Limited Distribution

ADMINISTRATIVE AND FINANCIAL QUESTIONS

Final Position of the 1987 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.

I. EXPENDITURE BUDGET

2. The CONTRACTING PARTIES appropriated Sw F 61,122,300 for the financial year 1987. Subsequently, the Committee on Budget, Finance and Administration reapportioned the appropriations between the Uruguay Round and the GATT regular budgets in order to identify better actual expenditure for the Uruguay Round (Document L/6248, Schedule I).

3. Total obligations incurred in 1987 amounted to Sw F 56,970,229 leaving an unencumbered balance of Sw F 4,152,071. This surplus is due to a saving of Sw F 4,239,295 as detailed in paragraphs 4 to 6 and to the non-utilization of the provision of Sw F 100,000 for unforeseen expenditure, partially offset by excess expenditure amounting to Sw F 187,224 referred to in paragraphs 7 and 8 below. It should be noted that the above-mentioned balance of Sw F 4,152,071 had to be used to reduce the overall deficit shown on the Surplus Account due to arrears in contributions.

4. Savings occurred on the following sections:

	<u>Sw F</u>
Section 1 - Forty-third session of the CONTRACTING PARTIES	9,269
Section 3 - Salaries	1,728,265
Section 5 - Missions	22,780
Section 6 - Common staff costs	1,210,593
Section 7 - Common services	108,722
Section 9 - Representation and hospitality	15,669
Section 13 - Trade Policy Training Courses	151,041
Section 14 - International Trade Centre UNCTAD/GATT	654,639
Section 15 - Uruguay Round	<u>338,317</u>
	4,239,295 =====

5. Savings made on Sections 3 and 6 covering Salaries as well as Common staff costs were mainly due to the fact that the Remuneration Correction Factor (RCF) did not have the effect on salaries of staff in the Professional and higher categories that was expected when the 1987 budget was approved and because a number of posts remained vacant for certain periods during the year. Further savings were due to the effect of the decline of the US dollar vis-à-vis the Swiss franc on contributions to the United Nations Joint Staff Pension Fund. Under the section concerning Common services, significant savings occurred. They mainly resulted from the fact that the appropriation for rental costs of the Centre William Rappard was partially not used because a rental increase anticipated for 1987 did not occur until 1988. Other savings were noted under Trade Policy Training Courses; they mainly resulted from the fact that there were two fewer trainees than had been foreseen. Under the International Trade Centre UNCTAD/GATT, savings occurred because of the dollar's decline against the Swiss franc and because of the Centre's adoption of UN guidelines concerning budgetary restrictions.

6. The section "Uruguay Round" shows a positive balance mainly because recruitment of new staff was delayed by the time-consuming selection process of a large number of applicants. In addition, since no recruitment of staff for the Integrated Data Base took place in 1987, savings occurred under this item. The savings were partially offset by higher than expected expenditure for interpretation and translation.

7. Excess expenditure over appropriations of Sw F 187,224 was incurred under the following sections:

	<u>Sw F</u>
Section 2 - Meetings of the Council and other meetings	39,825
Section 4 - Dispute Settlement Panels	144,301
Section 8 - Printing	2,849
Section 10 - Permanent equipment	<u>249</u>
	187,224
	=====

8. The excess expenditure for Meetings of the Council and other meetings was primarily the result of a greater number of interpreters needed to service more meetings than foreseen. The appropriation for Dispute Settlement Panels was overspent because there was a greater number of panels than anticipated. Outside panelists were paid for 182 days in 1987, as compared to 22 days in 1986.

9. Transfers between budgetary sections of Sw F 187,224 are necessary in order to cover excess expenditure over approved appropriations on the sections mentioned in paragraph 7 above by savings on other sections. Authority is sought to increase these appropriations accordingly as follows:

Transfers from: Sw F

Part I: MEETINGS

Section 1 - Forty-third session of the CONTRACTING PARTIES 9,269

Part II: SECRETARIAT

Section 5 - Missions 22,780

Section 6 - Common staff costs 30,784

Section 7 - Common services 108,722

Section 9 - Representation and hospitality 15,669

187,224
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Transfers to: Sw F

Part I: MEETINGS

Section 2 - Meetings of the Council and other meetings 39,825

Part II: SECRETARIAT

Section 4 - Dispute Settlement Panels 144,301

Section 8 - Printing 2,849

Section 10 - Permanent equipment 249

187,224
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II. INCOME BUDGET

10. Amounts totalling Sw F 61,564,012 were credited as budgetary income in 1987, exceeding the approved estimates by Sw F 441,712.

	<u>Approved estimates Sw F</u>	<u>Income credited Sw F</u>	<u>Excess of income Sw F</u>
Contributions assessed on contracting parties	60,100,000	60,100,000	-
Contributions assessed on contracting parties subsequent to the adoption of the scale of contributions	-	202,920	202,920
Miscellaneous income	<u>1,022,300</u>	<u>1,261,092</u>	<u>238,792</u>
	61,122,300	61,564,012	441,712
	=====	=====	=====

11. The net excess of miscellaneous income, amounting to Sw F 238,792 resulted from a number of items as follows:

	<u>1987 Budget Sw F</u>	<u>1987 Actual Sw F</u>	<u>Balance Sw F</u>
Interest on investments Actual income from interest was lower than anticipated due to a slower rate of receipt of contracting parties' contributions and to lower rates of interest.	250,000	169,033	(80,967)
Sale of publications The report, International Trade 1986-87 was delayed.	100,000	76,844	(23,156)
Profit or (loss) on exchange resulting from the difference between the UN accounting rate and the market rate	(100,000)	125,438	225,438
Savings on previous year's outstanding obligations The amount foreseen as an outstanding obligation to the International Computing Centre was not required.	60,000	117,926	57,926

	<u>1987</u> <u>Budget</u> <u>Sw F</u>	<u>1987</u> <u>Actual</u> <u>Sw F</u>	<u>Balance</u> <u>Sw F</u>
Refund of staff costs for staff employed at Centre William Rappard on behalf of other occupants	610,000	684,058	74,058
Rental of meeting rooms and office space at Centre William Rappard to others	20,000	18,850	(1,150)
Overhead for Regional Trade Policy Seminars -		15,177	15,177
Others	<u>82,300</u>	<u>53,766</u>	<u>(28,534)</u>
	1,022,300 =====	1,261,092 =====	238,792 =====

III. SURPLUS ACCOUNT

12. The Surplus Account, reproduced in Annex B, showed a deficit at 31 December 1987 of Sw F 3,125,514. This deficit occurred primarily because 1987 expenditures, although less than the amount budgeted, were greater than contributions received. The deficit was entirely covered by a transfer from the Working Capital Fund.

IV. WORKING CAPITAL FUND

13. In 1987, a total amount of Sw F 2,349,623 was repaid to the Working Capital Fund in respect of an advance made to cover a 1986 deficit in the Surplus Account. Transfers to the Working Capital Fund are done 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.

14. Taking into account the interest of Sw F 92,687 credited to it, the principal of the Fund amounted to Sw F 3,365,978 at 31 December 1987. From this amount, Sw F 3,125,514 had been transferred to offset the 1987 deficit. Thus on 31 December 1987 the Working Capital Fund was reduced to Sw F 240,464.

POINT FOR DECISION: Paragraph 9

ANNEX A/ANNEXE A/ANEXO A

STATEMENT OF OUTSTANDING CONTRIBUTIONS AS AT 31 DECEMBER 1987/ETAT DES ARRIERES DE CONTRIBUTIONS AU 31 DECEMBRE 1987
CONTRIBUCIONES PENDIENTES AL 31 DE DICIEMBRE DE 1987

Contracting Parties and Associated Governments/ Parties Contractantes et Gouvernements associés/ Partes Contratantes y Gobiernos asociados	Swiss francs/Francis suisses/Francos suizos					
	1969/1983	1984	1985	1986	1987	Total 1969/1987
Antigua and Barbuda/Antigua et Barbuda/ Antigua y Barbuda.....					72,120	72,120
Argentina/Argentine.....					228,380	228,380
Bangladesh.....					72,120	72,120
Belize/Bélize/Belice.....		60,731	67,800	70,440	72,120	271,091
Benin/Bénin.....	51,738	60,840	67,800	70,440	72,120	322,938
Botswana.....					72,120	72,120
Brazil/Brésil/Brasil.....					760,658	760,658
Burkina Faso.....	273,709	60,840	67,800	70,440	72,120	544,909
Burundi.....	323,195	60,840	67,800	70,440	72,120	594,395
Cameroon/Cameroun/Camerún.....					70,273	70,273
Central African Republic/République centrafricaine/República Centroafricana.....	206,700	60,840	67,800	70,440	72,120	477,900
Chad/Tchad.....	489,281	60,840	67,800	70,440	72,120	760,481
Colombia/Colombie.....					8,557	8,557
Congo.....	233,027	60,840	67,800	70,440	72,120	504,227
Côte d'Ivoire.....				40,000	78,130	118,130
Cuba.....				174,308	240,400	414,708
Dominican Republic/République Dominicaine República Dominicana.....	475,210	60,840	67,800	70,440	72,120	746,410
Gabon/Gabón.....			49,920	70,440	72,120	192,480
Gambia/Gambla.....	318,973	60,840	67,800	70,440	72,120	590,173
Ghana.....			39,736	70,440	72,120	182,296
Guyana.....	58,250	60,840	67,800	70,440	72,120	329,450
Haiti/Haïti/Haití.....	44,119	60,840	67,800	70,440	72,120	315,319
Kampuchea.....	452,006	60,840	67,800	70,440	72,120	723,206
Kenya.....				652	72,120	72,772
Madagascar.....		20,209	67,800	70,440	72,120	230,569
Malawi.....				47,436	72,120	119,556
Maldives/Maldives.....					72,120	72,120
Mauritania/Mauritanie.....	365,419	60,840	67,800	70,440	72,120	636,619
Mexico/Mexique/México.....					51,000	51,000
Morocco/Maroc/Marruecos.....					58,680	58,680
Nicaragua.....	260,952	a/	8,624	70,440	72,120	412,136
Niger/Niger.....	5,611	60,840	67,800	70,440	72,120	276,811
Nigeria/Nigéria.....			352,759	563,520	540,900	1,457,179
Peru/Pérou/Perú.....	158,690	101,400	113,000	105,660	96,160	574,910
Philippines/Filipinas.....				178,749	204,340	383,089

Contracting Parties and Associated Governments/ Parties Contractantes et Gouvernements associés/ Partes Contrantes y Gobiernos asociados	Swiss francs/Francs suisses/Francos suizos					Total 1969/1987
	1969/1983	1984	1985	1986	1987	
Romania/Roumanie/Rumania.....				422,640	336,560	759,200
Senegal/Sénégal.....	172,628	60,840	67,800	70,440	72,120	443,828
Sierra Leone/Sierra Leona.....	412,100	60,840	67,800	70,440	72,120	683,300
Suriname.....			67,800	70,440	72,120	210,360
Tanzania/Tanzanie/Tanzanfa.....	165,859	60,840	67,800	70,440	72,120	437,059
Togo.....			63,860	70,440	72,120	206,420
Trinidad and Tobago/Trinité-et-Tobago/ Trinidad y Tabago.....					2,739	2,739
Tunisia/Tunisie/Túnez.....					15,043	15,043
Uganda/Ouganda.....	235,578	60,840	67,800	70,440	72,120	506,778
United States of America/Etats-Unis d'Amérique/ Estados Unidos de América.....					6,074,830	6,074,830
Zaire/Zaire.....	159,700	60,840	67,800	70,440	72,120	430,900
Zambia/Zambie.....				12,252	72,120	84,372
	4,862,745	1,277,460	2,051,699	3,306,217	11,074,490	22,572,611

a/ 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 CONTRANTES en noviembre de 1982

ANNEX B

SURPLUS ACCOUNT
(in Swiss Francs)

Balance at 1 January 1987			NIL
Contributions assessed on contracting parties subsequent to the adoption of the 1987 scale of contributions:			
Antigua and Barbuda (L/6165)	72,120		
Morocco (L/6202)	58,680		
Botswana L(6219)	72,120		
Excess of 1987 miscellaneous income over estimated income	238,792		
Unencumbered balance on the 1987 expenditure budget	<u>4,152,071</u>	4,593,783	
Transfer from provision for contributions in arrears in respect of receipts of arrears in 1987		<u>5,704,875</u>	10,298,658
Repayment to Working Capital Fund		(2,349,623)	
Transfer to provision for contribution in arrears in respect of 1987 contributions in arrears		(11,074,490)	
Write-off of irrecoverable invoices		<u>(59)</u>	(13,424,172)
Accumulated deficit at 31 December 1987			(3,125,514)
Covered by transfer from Working Capital Fund			<u>3,125,514</u>
Balance at 31 December 1987			NIL

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