

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

Spec(82)63

8 October 1982

SITUATION OF OUTSTANDING CONTRIBUTIONS AS AT 30 SEPTEMBER 1982 AND ITS EFFECT ON THE FINANCIAL MANAGEMENT OF THE SECRETARIAT

Note by the Director-General

1. The Director-General reports as follows on the status of outstanding contributions as at 30 September 1982 and the effect of such outstanding amounts on the day-to-day financial management of the secretariat.

Outstanding contributions as at 30 September 1982

2. Outstanding contributions amounted to US\$22,312 (SwF 47,301 at the accounting rate of SwF 2.12/US\$1 effective as at 30 September 1982) in respect of assessments for the years 1969-1972, to SwF 4,265,035 for the years 1973 to 1981 and to SwF 10,900,718 in respect of current year's assessments. Thus a total of SwF 15,213,054 was due on 30 September 1982 compared with amounts SwF 9,986,221 on 30 September 1981, SwF 10,534,380 on 30 September 1980 and SwF 8,808,686 on 30 September 1979. Contributions due from contracting parties as at 30 September 1982 are shown in Statement 1 which is attached hereto.

3. The amount of SwF 10,900,718 still due on 30 September 1982 in respect of 1982 contributions represented 24.57 per cent of the total assessment. The corresponding figures were SwF 6,586,526 (16.30 per cent) in 1981, SwF 6,583,449 (16.88 per cent) in 1980 and SwF 5,576,987 (14.75 per cent) in 1979.

4. As can be readily seen, the situation has worsened considerably in 1982, in spite of the fact that the Director-General has taken every opportunity, either in writing or by personal contacts, to remind governments of the importance of prompt payment of their contributions and of total settlement of arrears. In particular, governments' attention has been drawn to the deep concern expressed by the Committee on Budget, Finance and Administration in this regard, at its meeting in May 1982.

5. The present situation with regard to governments whose contributions are two or more years in arrears is as follows:

Benin: The latest payment was received by the secretariat in January 1982. In June 1982 the Government of Benin requested a statement of its outstanding contributions.

Burundi: The latest payment was received in April 1978. The most recent communication was received in March 1980.

Central African Republic: The most recent payment was received in May 1978. The secretariat was contacted on several occasions in 1981 with regard to the settlement of the amounts outstanding.

Chad: Since the most recent payment, which was made in February 1978, the secretariat has received no further communication.

Congo, People's Republic of the: Regular instalment payments are received by the secretariat. During the first nine months of 1982 two payments totalling SwF 42,962 have been made.

Dominican Republic: Although the Dominican authorities assured the secretariat in October 1980 that every effort would be made to reduce the outstanding arrears as soon as possible, no payment has been received since November 1979.

Gambia: Since the latest payment, in March 1977, the secretariat has received no further communication.

Ghana: In August 1982, the secretariat received an amount of SwF 50,968 representing the entirety of the contribution for 1979 and a partial payment against the 1980 contribution.

Guyana: The secretariat has received no further communication since December 1980 when the latest payment was made.

Haiti: The Government of Haiti has undertaken to make regular payments until the entire balance of arrears of contributions has been liquidated. Since April 1978 the secretariat has received nineteen payments totalling US\$139,500.

Kampuchea, Democratic: Since the latest payment, which was made in January 1974, the secretariat has received only one letter of acknowledgement in July 1980.

Madagascar: No communication has been received from the Government of Madagascar since the most recent payment in July 1980.

Mauritania: Since the latest payment in October 1978 no further communication has been received.

Nicaragua: In January 1981, the Nicaraguan Government proposed the settlement of its arrears at 31 December 1981 by means of ten equal annual payments commencing in 1982. The GATT Council accepted this proposal on 11 June 1981 (C/M/148). In June 1982, the Nicaraguan authorities, referring to the financial difficulties they were experiencing, have proposed that the commencement date for the repayment schedule be delayed for one year, to 1983. The attention of the Committee on Budget, Finance and Administration is drawn to this request.

Peru: No communication has been received from the Government of Peru since the most recent payment in June 1979.

Senegal: The latest payment was made in June 1979. In July 1981, and again in June 1982, the Government of Senegal informed that the necessary administrative arrangements were being made for the settlement of the outstanding amounts.

Sierra Leone: The most recent payment was received in February 1975. Since 1980, a GATT official has taken up the question of the arrears with the authorities of Sierra Leone on numerous occasions. Although he was informed that action to liquidate the amount due would be taken soon, no further official communication has yet been received by the secretariat.

Tanzania: The most recent payment was made in June 1980. A payment announced in November 1981 has not yet been received by the secretariat.

Togo: The most recent payment was made in September 1981. A further payment announced in October 1981 has not yet been received by the secretariat.

Uganda: No communication has been received by the secretariat since the latest payment in November 1977.

Upper Volta: Since the latest payment in November 1978, no further communication has been received by the secretariat.

Effect of the level of outstanding contributions on the financial management of the secretariat

6. A comparison with previous years shows clearly that the rate of collection of contributions has notably declined in 1982. In fact, the shortfall has reached such proportions that the present level of cash resources (about SwF 3 million, see Statement 2) will not cover the most imperative requirements for the month of October 1982, i.e. payroll, contribution to the ITC, etc., which total some SwF 3.7 million.

7. In these circumstances, and unless important amounts of outstanding contributions were to be forthcoming within the next few days, it will be necessary for the secretariat to negotiate a credit-line with the banks in order to face up to those immediate, current financial obligations that cannot be deferred.

8. The consequences to the GATT budget of the outstanding contribution situation will thus be two-fold. In the first place, income from interest on amounts invested, included in the 1982 income budget, will be considerably less than foreseen. Secondly, the need to borrow on the commercial money market will give rise to the payment of interest at commercial rates which will have to be paid and charged to the expenditure budget approved by the CONTRACTING PARTIES.

STATEMENT OF OUTSTANDING CONTRIBUTIONS AS AT 30 SEPTEMBER 1982/ETAT DES ARRIERES DE CONTRIBUTIONS AU 30 SEPTEMBRE 1982/
CONTRIBUCIONES PENDIENTES AL 30 DE SEPTIEMBRE DE 1982

[illegible]

Country/Pays/Pais	US dollars/Dollars des Etats-Unis/Dólares EEUU 1969/1972	Swiss francs/Francis suisses/Francos suizos					
		1973/1978	1979	1980	1981	1982	Total 1973/1982
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
Portugal						137,360	137,360
Romania/Roumanie/Rumania						283,590	283,590
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
Togo				18,653	48,480	53,170	120,303
Tunisia/Tunisie/Túnez						13,144	13,144
Uganda/Ouganda		49,270	45,400	46,800	48,480	53,170	243,120
United States/Etats-Unis/ Estados Unidos						4,670,422	4,670,422
Upper Volta/Haute-Volta/ Alto Volta		21,609	45,400	46,800	48,480	53,170	215,459
Uruguay						53,170	53,170
Yugoslavia/Yougoslavie						310,170	310,170
Zaire/Zaire					48,280	53,170	101,450
Zambia						53,170	53,170
Total	22,312	1,558,665	756,600	851,421	1,098,349	10,900,718	15,165,753

US\$22,312 at SwF 2.12 to US\$1.- equivalent to / 22.312 dollars EU à 2,12 FS par dollar EU, équivalent à/
22.312 dólares EE.UU a 2,12 FS por dolar, que equivalen a

47,301
15,213,054
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Comparative Figures for the Preceding Years
Tableau comparatif pour les années précédentes
Cifras comparativas para los años precedentes

Assessment for
Contributions pour
Contribuciones de

Amount outstanding as at 30 September
Montant non encore payé au 30 septembre
Saldo pendiente al 30 de septiembre

Percentage
Pourcentage
Porcentaje

1982 44,310,000 + 53,170
1981 40,400,000
1980 39,000,000
1979 37,798,000

10,900,718
6,586,526
6,583,449
5,576,987

24.57
16.30
16.88
14.75

STATEMENT 2/ETAT 2/CUADRO 2

FUNDS AVAILABLE/FONDS DISPONIBLES/FONDOS DISPONIBLES

1980

1981

1982

SWF/F.S.

