



INTERNATIONAL COTTON ADVISORY COMMITTEE

Standing Committee
Washington, DC

SC-M-447 Final
April 28, 2000

MINUTES

447th Meeting of the Standing Committee
Tuesday, April 18, 2000
The Brookings Institution, 1775 Massachusetts Ave., NW
Washington, DC

PRESENT:

- Mr. Alfonso Pino (in the Chair)
- Mr. José D. Molina, Argentina
- M. Andrea Preiss, Australia
- Ms. Marie-Ange Katzeff, Belgium
- Mr. Aluisio de Lima-Campos, Brazil
- Mr. Philippe Ondo Ondo, Cameroon
- Mr. Alfred Wang, China (Taiwan)
- Mr. Alfonso Liévano, Colombia
- Mr. Wael Shoaeb, Egypt
- Mr. Stephen Laetsch, Germany
- Ms. Christos Prapopoulos, Greece
- Mr. Ajai Malhotra, India
- Mr. Giancarlo Gobbi, Italy
- Mr. Koichi Maruyama, Japan
- Mr. Takashi Yokoyama, Japan
- Mr. Victoriano B. Leviste, Philippines
- Mr. Alex Massinda, Tanzania
- Mr. Alastair Wilson, UK
- Mr. Lawrence Blum, USA
- Dr. Andrew Levin, USA
- Ms. Amy Winton, USA
- Dr. Terry P. Townsend, Executive Director
- Mr. Carlos Valderrama, Head Economist
- Mr. Andrei Guitchounts, Economist
- Dr. Rafiq Chaudhry, TIS
- Mr. Ioannis Kaltsas, Statistician
- Mr. Federico Arriola, Administrative Officer
- Ms. Carmen Leon, Bilingual Assistant
- Ms. Rosa-Marina Soper, Administrative Assistant

1. Adoption of the Agenda

The CHAIR called the meeting to order at 10:15 am. He welcomed Mr. Takashi Yokoyama of Japan who was attending a Standing Committee meeting for the first time.

The CHAIR asked for comments on the provisional agenda, and seeing none, found that the agenda was approved.

2. World Cotton Situation

The CHAIR introduced Mr. Ioannis Kaltsas, statistician of the Secretariat, to present a report on the world cotton situation contained in Attachment I. Mr. Kaltsas noted that prices increased during the first quarter of 2000, after almost five years of decline, and the Cotlook A Index, a measure of international prices, rose to 58 cents per pound by the end of March. Strong demand for cotton seems to be a major factor behind the recent price hike. Since early February, the estimate of 1999/00 mill use of cotton has been increased by 400,000 tons in China (Mainland), 20,000 tons in East Asia, and 10,000 tons in India. World mill consumption is now expected to reach 19.7 million tons in 1999/00. As a consequence, world stocks are tightening and are expected to reach 9.1 million tons at the end of 1999/00, an expected reduction of 600,000 tons during the season. The decline in cotton prices the last five seasons made cotton prices

cheaper relative to prices of chemical fibers and this is one of the factors contributing to faster growth in world cotton consumption.

Mr. Kaltsas reported that current expectations of supply and demand suggest that prices will increase further in 2000/01. Declining production and increasing consumption are expected to result in a rapid reduction in stocks from 9.1 million tons on August 1st, 2000 to 7.8 million tons on July 31st, 2001, the lowest level of stocks since 1995. Since cotton consumption is expected to reach a record 20 million tons, the world stocks-to-use ratio is expected to fall to 0.38, the lowest since 1993/94. The stocks-to-use ratio is already expected to decline from 0.51 in 1998/99 to 0.46 in 1999/00.

The CHAIR thanked Mr. Kaltsas for his presentation and asked if there were comments.

Mr. Yokoyama of JAPAN reported that the textile industry in Japan continues to restructure in the face of rising imports of textiles and apparel and weakness in the economy of Japan. As a consequence, the capacity of members of the Japan Spinners Association has fallen to three million spindles, the lowest since the end of World War II. However, spinners believe they are now nearing the completion of the period of adjustment, and they expect imports of cotton to remain stable for several years at approximately 270,000 tons. Mr. Yokoyama reported that Japanese consumers prefer the quality of natural-fiber products, and consumer demand for cotton products is expected to increase. However, the strength of the yen is leading to increased imports of textile and apparel products.

The CHAIR thanked Mr. Yokoyama for his report on the situation confronting spinners in Japan.

3. The Cotton Emblem

The CHAIR asked the executive director to summarize the provisional Secretariat report on the cotton emblem (Attachment II SC-N-446). The executive director reported that during discussions at the 58th Plenary Meeting, some countries expressed an interest in generic promotion efforts for cotton, and the Secretariat was instructed to investigate the benefits of re-establishing the International Cotton Emblem (ICE) owned by the International Institute for Cotton (IIC). The IIC was an intergovernmental treaty organization composed exclusively of cotton producing countries that operated between 1966 and 1994. The IIC registered the ICE in Europe and Japan and used it as the foundation of cotton promotion efforts. However, when the IIC ceased to exist in 1994, licenses to individual users of the emblem were cancelled in all countries except Japan.

Registration of an emblem requires ongoing legal maintenance estimated at between \$20,000 and \$30,000 per year. Actual costs could be higher depending on the specifics of trademark laws and the status of other emblems in each country. The policing of the ICE against misuse was very expensive, and in the experience of the IIC it was not possible to make sufficient money by charging licensees to cover those costs.

During the final year of existence of the IIC, there were extensive discussions about the future of the emblem. The 52nd Plenary Meeting of the ICAC in New Delhi in 1993 considered a proposal to increase the budget of the Secretariat to continue some of the marketing work of the IIC, including registration of the emblem. However, the proposal was rejected.

The IIC did transfer the rights to the ICE in Japan to the Japan Cotton Promotion Institute (JCPI). The JCPI requested the rights to the ICE and was able to finance the continued administration and control of the emblem in Japan.

The IIC also examined the possibility of transferring the rights to the ICE to an appropriate body or bodies in Western Europe. However, efforts to identify an appropriate and willing successor body to receive the rights to the ICE proved unsuccessful, and the IIC ceased operations on April 30, 1994 without transferring the rights to the ICE to another international body. The registration of the ICE in European countries will expire in 2006 unless intervening action is taken.

The executive director reported that experts in the field of cotton market development and promotion believe there could be advantages in the re-establishment of the International Cotton Emblem. The world cotton industry could benefit from having a unifying symbol around which to rally, and an emblem could serve as the foundation for national cotton labeling efforts. A single international emblem could forestall

efforts by competing national cotton industry organizations to register individual cotton symbols and spend to attempt to create consumer recognition. Nevertheless, while the benefits of international cotton market development have always been acknowledged, the political will to finance an international effort from government resources is lacking. Consequently, renewed efforts to create an international cotton promotion organization, or even efforts to expand the structure and the budget of the ICAC Secretariat, are likely to be futile.

The executive director noted that the model presented at the 58th Plenary Meeting last year might ultimately prove to be feasible. National market development programs, organized in cotton producing countries and funded from domestic resources, have proven to be sustainable and effective within their spheres of activity. The Statement of the 58th Plenary Meeting encourages more cotton industries to begin promotion efforts based on best practices adapted to the specific conditions in their countries. As one component of national promotion efforts, cotton industry organizations might be encouraged to register and use the ICE within their countries. Cotton industry organizations in consuming countries could also be encouraged to register and use the ICE.

Alternatively, an international consortium of national cotton organizations might be formed for the explicit purpose of taking up the rights to the ICE. The initiative to form such an organization would have to come from the cotton industries of producing countries, perhaps with cotton associations in consuming countries also involved. Such a consortium could obtain the rights to the emblem in Japan rather easily by applying to the JCPI. However, since the IIC went out of operation without naming a successor body to hold the rights to the ICE, it is not clear what an international consortium would have to do to acquire the rights to the emblem in Europe. Specialists in trademark law would need to be consulted. As a next step, and assuming there are no objections from member governments, the Secretariat will poll cotton industry leaders to determine if there is substantive interest in forming an international consortium of cotton organizations to take up the rights to the ICE.

The CHAIR thanked the executive director for the summary and asked for comments.

The delegate of AUSTRALIA said that while Australia has no objections to a poll of cotton industry leaders to determine what interest exists in forming a consortium to assume the rights to the International Cotton Emblem (ICE), contacts in the Australian industry indicate some reservations about generic promotion. The Australian industry supports any effort to promote the benefits of cotton fiber to consumers and recognizes the benefits of generic promotion at the international trade level, where product differentiation and product benefit can be clearly demonstrated. They do however, question the effectiveness of generic promotion at a consumer level, believing that the private sector is better equipped to adapt and respond quickly to market/consumer need and changes in fashion. The industry consequently sees no benefit in forming an international consortium of cotton industry organizations to take up the rights to the ICE.

The delegate of INDIA urged that the ICAC should proceed with a sense of caution. He noted that while generic promotion could be useful, it was premature to endorse a proposal at this stage. He added that there would be no harm in conducting a poll of industry leaders and thereafter revisiting this issue.

The delegate of BELGIUM concurred with the delegate of India that caution was appropriate. She said there would be no harm in conducting a poll of industry leaders, with the results of the poll communicated to the Standing Committee at a future meeting.

The CHAIR concluded that the Standing Committee did not object to having the Secretariat conduct a poll of national cotton industry organizations to determine the level of interest in the formation of a consortium to control the rights to the ICE. He said that the results of the poll should be reported to the Standing Committee at a future meeting.

4. Revised Secretariat Business Plan

The CHAIR asked the executive director to outline the revisions made to the business plan of the Secretariat. The executive director referred to Attachment III to SC-N-446. He noted that as part of the revised pay-per-view proposal, the Secretariat would install software that will allow customers to purchase immediate access to individual reports and tables using credit cards. Implementation of this proposal will require an initial expenditure of more than \$7,000 for software and equipment to ensure prompt and

secure handling of credit card transactions. Consequently, net revenue in the first year of implementation would likely be negative. The Secretariat prepared a supplement to the business plan on use of the web and the security of credit card transactions.

Regarding the proposal for advertising on the web site, the executive director said that the revised proposal is to seek out reputable non-profit partners among the public sectors and associations of member countries with whom to develop cooperative relationships on the web. In exchange for visibility on the ICAC web site, cooperating institutions would be asked to assist the Secretariat in ways appropriate to each situation. For instance, cooperators could purchase a large number of annual subscriptions to Secretariat publications for distribution in their countries of operation. Cooperators could be asked to sponsor participants in the Research Associate Program or another Secretariat activity. Visibility on the ICAC web site could be in the form of banners or acknowledgments embedded in web pages and hot links to other web sites. Cooperative relationships would be negotiated, with the caveat that all relationships would be transparent to the Standing Committee.

The executive director also referred to the three-year estimates of revenue and expenditures contained in the revised business plan. He noted that members of the Subcommittee on Budget had expressed reservations concerning the expenditure priorities envisioned in the business plan, and additional delegates had opposed the proposal to use business plan revenues to offset the costs of travel by non-member observers to plenary meetings. The executive director concluded that a consensus has not been reached on how to spend the revenues that might be generated under the business plan.

The CHAIR asked for comments on the revised business plan.

The delegate of GERMANY said that in principle, all revenues and expenditures should be fully integrated into the budget. He added that if the majority of members agree to the way in which the business plan revenues and expenditures are shown in the submitted documents, Germany can accept it this time as a transitional measure. However, before preparing the 2001/02 budget, the executive director should provide a report on the development of the plan, including the issue of presenting and publishing a financial statement of these revenues and expenditures on the basis of experience gained thus far and after consultation with the auditors if necessary.

The delegate of JAPAN said that his government supports the principle of nominal real growth in contributions to international organizations. He said that Japan can support the use of business plan revenues for the development of the ICAC, but that the recommendation in the business plan that one-third of revenues be used for general cost recovery needs to be considered. The delegate said that Japan can support the pay-per-view proposal and the proposal to develop cooperative relationships with non-profit partners in the use of the web site provided that full transparency is maintained in all relationships and provided that equal opportunities are provided to all countries, including those without internet facilities.

The delegate of AUSTRALIA said that with regard to the business plan Australia is generally in favor of all proposals. However, with regard to the ICAC web site, Australia is reluctant to see this as a profit making exercise at the expense of encouraging access to the site and utilization of the information contained therein. Members may also have a concern that they are paying for the web site through ICAC membership and may feel they are paying twice by using the pay-per-view facility. However, as long as there is complete transparency, Australia does not have a major problem with the proposals.

The delegate of the UK said that he welcomed the revised plan and found the projections of revenue and expenditures useful. He said that while the pay-per-view proposal entailed initial expenditures, there was much potential for an increase in sales and that this was an appropriate time to embark on the investments needed to implement secure, automatic Internet based subscription sales. The delegate cautioned that the need to convert ICAC documents to historical records needs to be carefully considered in the light of competing priorities. He added that the conversion of material in the ICAC library to electronic files for worldwide access was a good proposal in principle but that the likely use of such a capability should be considered prior to implementation.

The CHAIR said that the statements of delegates seemed to indicate that the revised business plan adequately accounts for delegates concerns regarding transparency, the security of credit card transactions, unimpeded government access to information and appropriate forms of partnerships with

non-profit organizations on the web site. However he noted that there was not a consensus on the use of revenues generated under the business plan. He suggested that the Standing Committee approve the two pending items in the business plan, pay-per-view, and web site partnerships, so that the Secretariat can begin implementation but that approval of expenditures be held pending further information regarding revenues. The Chair observed that there was a consensus on these points.

5. Draft Secretariat Paper on Government Measures Affecting Cotton

The CHAIR introduced Mr. Carlos Valderrama, Head Economist of the Secretariat, to present Attachment II. Mr. Valderrama noted that the level of assistance provided by governments to the cotton sector seemed to be rising in 1999/00 and was estimated at \$5.2 billion dollars. The USA, China (Mainland), Greece, Turkey, Spain, Brazil and Mexico provide direct income or price support to the cotton industry. Egypt has discontinued its price support program. Mr. Valderrama noted that about one-fourth of world cotton exports are supported by direct assistance and that the average payment rate under the U.S. Step 2 program is estimated at 6 cents per pound in 1999/00. He also reported that the Secretariat had so far received information from 33 countries on government measures affecting trade in textiles and apparel, but that it had not yet had time to compile the information into a consistent format for presentation and analysis. He observed that over the last 40 years tariff barriers affecting trade in cotton, cotton textiles and apparel seem to have declined. He noted that much of the information needed by the Secretariat to complete the study on arrangements affecting trade in cotton and cotton textiles and apparel is already gathered by the WTO, but that the Secretariat's request to the WTO for access to the data is pending.

The CHAIR asked if there were comments on the presentation by Mr. Valderrama.

The delegate of SPAIN noted that the paper did not indicate that there is a social character to the income support program in place for cotton growers in the EU. He said that the cotton growing areas of Greece and Spain are among the lowest-income regions of the EU. He asked that this matter be included in a future Secretariat report on government measures.

Mr. Valderrama said that a revised version of the paper on government measures would include a reference to the social character of the income support programs. He added that the Secretariat would report again to the Standing Committee when the information on measures affecting trade in textiles and apparel had been analyzed.

The CHAIR thanked the Secretariat for the draft paper and said that the Standing Committee looked forward to receiving a revised report at a future meeting.

6. Draft Secretariat Budget for 2000-01

The CHAIR referred to Attachment III. He noted that the Subcommittee on Budget had met three times to discuss the Secretariat budget for next year and had agreed on the proposal contained in the attachment. He thanked members of the Subcommittee for their efforts and for the leadership offered by the delegate of Colombia, Mr. Liévano, for his work as Chair of the Subcommittee. The Chair said that the budget was being presented at this meeting for the consideration and initial comment of delegates, but that final approval would be not be sought until the next meeting in June.

The CHAIR asked the executive director to summarize the budget proposal. The executive director reported that a budget of \$1,298,500 is proposed for 2000-01, as shown in table 1 of the attachment. The proposed budget represents an increase of 4.1% over the budget for the current year. However, when adjusted for inflation, the proposed budget for 2000-01 will be about 4% lower than it was in 1996/97.

In 2000-01, salary and benefit expenses are estimated at \$848,200, an increase of 6.7% compared with the budgeted amount for the current year. An anticipated change in the tax status of one member of the Secretariat and increases in health insurance costs cause the relatively large increase. The budget for salaries alone, including bonuses, are projected to rise by 4%, compared with an average increase in salaries among international and non-profit organizations in the Washington area of about 4.5% during the past year.

Expenses in categories other than salaries and benefits are expected to fall by \$2000 or 0.5% in 2000-01, compared to the amount budgeted in the current year. Part of the savings stem from activities approved

as part of the business plan under which the Secretariat will be reimbursed for travel expenses associated with national cotton industry meetings and supervisory responsibilities related to Common Fund for Commodities' projects. Less money will be needed to complete the next review article in 2000-01, and the Secretariat continues to reduce communication expenses through expanded use of the Internet. Now that the threats associated with Y2K have passed, expenditures on equipment will be reduced in 2000-01.

The executive director reported that based on elements of the Secretariat's business plan already approved, including those elements in place since 1996, revenues in addition to member government assessments available to finance the 2000-01 budget are estimated at \$151,000. He reported that expenditures linked to business plan revenues are estimated at \$33,000, including \$14,000 not yet allocated by the Standing Committee. Also, it is also proposed that the Reserve Fund of the Committee be increased by \$12,500 during 2000-01.

Taking these factors into consideration, the required assessment to finance the proposed budget will be \$1,193,000. The executive director said that assessments for the current fiscal year totaled \$1,142,400 or \$50,600 less than the proposal for this year. But, because membership in the Committee has increased by two countries since last year, the average assessment will decrease by more than \$100, even though the total of assessments is rising. Calculated assessments for each member country based on the Rules and Regulations are shown in Table 2 of the attachment.

The executive director concluded that the proposed budget would keep the working funds of the Secretariat within the normal range.

The CHAIR asked if there were any comments.

The delegate of GERMANY had two comments regarding the budget. First, is the issue of simultaneous interpretation at the plenary meeting. The proposed budget envisions bringing the team of interpreters to Australia that has worked at plenary meetings the last several years rather than hiring interpreters in Australia at a cost differential of \$17,000. The delegate said that the Secretariat has worked with outside companies in the past, and if this has proven unsatisfactory and the executive director insists on using the usual team, Germany can agree only if the estimated costs are reduced considerably. He noted that the increase between 1998 and the proposal for 2000 was considerable.

Secondly, on the issues of Secretariat salaries, the delegate said that German authorities do not believe that a comparison with the World Bank should be permitted. He said that the ceiling for salary increases at the ICAC is to be the same as at the UN, and the increases in the proposed budget for 2000-01 go substantially beyond those agreed to for the UN.

The delegate of INDIA noted that the proposed budget delayed decisions regarding the expenditure of revenues under the business plan until a later time, and he agreed that this was appropriate. The delegate asked if the calculation of assessments included all member countries or whether, as in the past, there was an implicit assumption that some countries may not pay their assessments in the coming year.

The executive director answered that the scale of assessments in the proposed budget are calculated assuming that all members continue to make regular payment of assessments to the Committee, and that this procedure has been implemented as standard practice.

The CHAIR noted the concerns raised by Germany, as well as the need to monitor the Secretariat's progress in implementation of the business plan. He asked Mr. Liévano, Chair of the Subcommittee on Budget, to work with the executive director to call another meeting of the Subcommittee to consider these matters prior to the next meeting of the Standing Committee in June.

7. Draft Agenda for the 59th Plenary Meeting

The CHAIR noted that the Secretariat is preparing to send invitations to the plenary meeting in early May and that it is necessary to include a proposed agenda with the invitation. He said that the draft proposed agenda contained in Attachment IV was being presented for the initial comments of delegates, and that

final approval of the agenda could be done at a future meeting. The Chair asked the executive director to present Attachment IV.

The executive director noted that a committee of cotton industry and government representatives in Australia, working with the Secretariat, has developed the draft proposed agenda. The draft proposed agenda is excellent and will help move the world cotton industry forward by focusing discussions on concrete steps to meet the challenges of cotton's future. The theme of the 59th Plenary Meeting will be meeting global challenges. Discussions are planned on the subjects of the promotion of cotton, responding to global competition by meeting the needs of customers, improving quality and lowering costs, and meeting environmental challenges. Adequate time will be provided for statements by delegations and presentations on the outlook for the world economy and the cotton sector.

Reflecting the traditions of the Australian cotton sector, open sessions are proposed as a new format for less formal discussions. There will be full simultaneous interpretation during open sessions. Open sessions will be open to all registered participants. The chair of each open session will control discussions just as in a plenary session, but direct input from the floor will be allowed. The Committee will still meet in plenary sessions for opening and closing remarks, statements of countries and international organizations, statements of the Chair of the Standing Committee and executive director and sessions on the world economy and the outlook for cotton.

The Government of Australia and the Australian industry have been planning for the 59th Plenary Meeting for several years, and an extensive social program is being prepared. The meeting will begin on Sunday 5 November with a bus tour of Cairns and a welcoming reception. Conference dinners, including a special event in a national park near Cairns, are planned for several evenings, and a trip to the Great Barrier Reef aboard comfortable glass-bottomed ships is planned for Wednesday. In addition, conference lunches, as well as tea and coffee breaks, will be provided each day.

The executive director acknowledged that the draft proposed agenda did not include a plenary session devoted to the discussion of government measures affecting cotton, as has been traditional at plenary meetings. The executive director explained that it was his view that discussions of government measures, while important, even crucial to the role of the ICAC, had not been productive in the past decade and that such discussions had divided the Committee. He noted that the subject of government measures could be dealt with in country statements at the plenary meeting, and that a full discussion of government measures was possible in the Standing Committee. However, he felt that time in the plenary meeting should be devoted to issues that unite the cotton community and that have the potential to move the cotton industry forward. The executive director added that the draft proposed agenda was already perhaps over-full and that a decision to include a session on government measures would necessarily require that time devoted to another subject be reduced. He concluded by asking delegates that if it were necessary to include a discussion of government measures in the agenda, that he be given the flexibility to work with the Australian host committee to determine where in the agenda would be most appropriate.

The delegate of AUSTRALIA said that the reason behind the removal of government measures was initially done because, after being on the agenda for some 15 years, and despite comprehensive and extremely lengthy discussions, no resolution has ever been made. Also, as there have been no changes to government subsidy programs in recent years and, we assume, positions of ICAC member countries have not changed, the host committee felt that no new issues would be raised under this Item. Therefore time would be better spent discussing other issues which may have a chance for resolution.

However, by taking government subsidies off the agenda, the host committee was not in any way suggesting that Australia is resigned to the presence of government subsidies, but simply trying to make the 59th Plenary Meeting of the ICAC an efficient and successful meeting. However, it is recognized that this is an extremely important issue that should be discussed at every opportunity, especially at international meetings such as the plenary meeting. Australia understands that the decision to remove government subsidies from the agenda is not final and invites other countries to put forth their views.

The delegate of COLOMBIA emphasized the importance of cotton for his country and proposed that one of the sessions be devoted to government measures affecting cotton in various countries.

The delegate of the USA proposed that if a session on government measures is to be included in the agenda, it should focus on issues not discussed in the past. He suggested that government measures affecting trade in textiles would be an interesting and productive topic for discussion in Cairns.

The delegate of INDIA said that while the draft proposed agenda was otherwise excellent, government measures affecting cotton production had direct relevance for the industry and it was advisable that it be discussed in plenary, as in the past. He supported the suggestion of the delegate of Colombia to have a session on government measures affecting cotton. Regarding the registration procedure, the delegate suggested that observers at the meeting be identified by their organization of affiliation rather than by country, while official delegates continue to be identified by country.

The delegate of the PHILIPPINES agreed with the delegates of Colombia and India that a short session on government measures was needed in the agenda.

The delegate of ARGENTINA agreed with the delegates of Colombia, India and the Philippines that a session on government measures was necessary. He said that the purpose of such a session was not to create divisiveness but to highlight the need for progress on this matter, given the impacts of government measures on the cotton industries of developing countries. The delegate noted that with the recent failure of talks in the WTO to liberalize trade, it was not the proper time to remove the issue of government measures from the agenda of an ICAC plenary meeting.

The CHAIR noted that there was a consensus that a session on government measures is to be included in the agenda for the 59th Plenary Meeting and he instructed the Secretariat to work with the host committee to determine the most appropriate way of doing this. The Chair said that with the addition of a session on government measures, the draft proposed agenda was acceptable as a basis for sending invitations to the 59th Plenary Meeting.

Speaking as the delegate of SPAIN, the Chair said that he agreed with the delegate of the USA that the session on government measures should not repeat information provided at previous meetings and that it would be appropriate to focus on matters affecting trade in cotton textiles and apparel.

The delegate of COLOMBIA said that it would be necessary to discuss measures that affect cotton and cotton textiles and apparel.

The CHAIR noted that the final Secretariat paper would deal with both issues and would serve as a basis for discussion in Cairns.

The delegate of COLOMBIA said it was important that the harm done to producers in developing countries by subsidies paid to growers in other countries be illuminated. He noted that cotton was a legal alternative cash crop to illegal crops in Colombia, but that the subsidies paid to growers elsewhere resulted in reduced incomes to cotton growers.

The CHAIR concluded that both topics should be addressed at the plenary meeting.

Responding to a question raised by the delegate of GREECE, the executive director assured delegates that preparations for the meeting in Cairns would be excellent and that information regarding accommodations, transportation, the social program and other facets of the plenary meeting would be provided with the invitations.

8. Quarterly Statement of Financial Position

The CHAIR asked the executive director to explain Attachment V. the executive director noted that projections of expenses and revenues indicate that the Secretariat will finish the fiscal year on June 30 close to budgeted totals. He called attention to the list of uncollected assessments as of March 31. He said that since March 31, funds had been received from Colombia, Sudan and Tanzania. He stressed the importance to the operation of the Secretariat of all countries paying their assessments as scheduled.

The Chair observed that there were no additional comments and adjourned the meeting at 11:55 am.



INTERNATIONAL COTTON ADVISORY COMMITTEE

Standing Committee
Washington, DC

Attachment I to SC-N-447
April 18, 2000

World Cotton Situation

After a rapid increase in January and February, the Cotlook A Index, a measure of international prices, gained 3 more cents and stood at 58 cents per pound at the end of March. The season-to-date Cotlook A Index averaged 50 cents per pound through March. Increased evidence of strong demand is a major factor behind the recent price hike. Since early February, the estimate of 1999/00 mill use of cotton has been increased by 400,000 tons in China (Mainland), 20,000 tons in East Asia, and 10,000 tons in India. World mill consumption is now expected to reach 19.7 million tons in 1999/00. As a consequence, world stocks are tightening and are expected to reach 9.1 million tons at the end of 1999/00, an expected reduction of 600,000 tons during the season.

The Cotlook A Index fell to a low this season of 44 cents per pound in December 1999, but gained 7 cents in January and 5 cents in February. Prices declined more than expected between August and December 1999, as reluctance to commit cotton in international markets increased due to price uncertainties and an unclear strengthening of demand. As cotton began moving in international markets and mill consumption gained ground, prices rose to current levels. With the exception of the USA, where mill consumption is expected to decline by 90,000 tons, mill consumption of cotton is expected to increase in all major countries in 1999/00. Stronger world economic performance and lower prices of textile manufactures are two reasons behind the strengthening of demand. The International Monetary Fund expects world GDP to increase by 3.5% in 2000, compared to 3% in 1999 and 2.5% in 1998. In addition to lower fiber prices, prices of textile manufactures have been favorably impacted by currency devaluation in many exporting developing countries.

Market fundamentals suggest that prices could continue to increase during the remainder of this season and next. Stocks are declining rapidly and unless unexpected events take place, prices should continue to rise, although not at the rapid pace of the last three months. The annual cycle of cotton prices, a characteristic the cotton market shares with other agricultural commodities, normally describes a decreasing path of prices during the first half of the season and an increasing path during the second half. This feature of agricultural markets is due to the fact that the bulk of the crop is marketed from August through December-January, while quantities tend to become scarcer thereafter through July. How scarce will cotton become in the next months through July? Many mills around the world have covered their consumption for most of the year and with stocks declining but still above 9 million tons, cotton is not scarce at the moment. Nonetheless, cotton consumption is back on track and will likely reach 20 million tons in 2000/01. With these two factors balancing each other, current levels represent a firm new ground for cotton prices. Furthermore, world production is expected to decline by 400,000 tons to 18.7 million tons in 2000/01, an event that combined with the expected increases in consumption, will prompt mills to cover their cotton needs early. As a result, prices might even gain a few cents during the remaining four months of the season. The combination of the current season-to-date average of the Cotlook A Index and an expectation that prices will average 60 cents per pound during the next four months, results in a 53 cents per pound average Cotlook A Index for 1999/00.

Current expectations of supply and demand suggest that prices will increase further in 2000/01. Declining production and increasing consumption are expected to result in a rapid reduction in stocks from 9.1 million tons on August 1st, 2000 to 7.8 million tons on July 31st, 2001, the lowest level of stocks since 1995. Since cotton consumption is expected to reach a record 20 million tons, the stocks-to-use ratio is expected to fall to 0.38, the lowest since 1993/94. The stocks-to-use ratio is already expected to decline from 0.51 in 1998/99 to 0.46 in 1999/00.

China (Mainland)'s Effort to Minimize Loss from Existing Stocks

Recent statements by Chinese (Mainland) officials emphasized that the volatility of international cotton prices during the last ten seasons proved harmful to farmers inside and outside China (Mainland). China (Mainland)'s policymakers are aware of the influence of domestic cotton stocks on international cotton prices. However, these stocks were built by paying high prices to cotton farmers between 1994 and 1998. Given the current relatively low domestic prices, a release of these stocks in the Chinese (Mainland) market will result in an accounting loss which has to be approved by the government. The government in the past paid a subsidy to create stocks and seems unwilling to pay another subsidy to use them. Exporting stocks could result in a greater loss, given that an announcement of large exports from stocks would likely reduce international prices to a level lower than that of domestic prices.

China (Mainland) will probably reduce its stocks by using them domestically. A decrease in Chinese (Mainland) production from 3.9 million tons this season to an estimated 3.5 million tons in 2000/01 will reduce stocks to a six-year-low of 1.85 million tons by the end of 2000/01. Meanwhile, the large discrepancy between production and consumption is expected to increase Chinese (Mainland) prices. In the past four months, about 130,000 tons of cotton stocks purchased before 1993 were released by the Chinese (Mainland) National Cotton Exchange. The State Council of China (Mainland) is expected to decide by the end of the season the release of additional stocks (mainly 1997-crop) to partially offset the expected shortfall between production and use in 1999/00. China (Mainland) is exporting an estimated 300,000 tons of this season's crop in 1999/00. In 2000/01, Chinese (Mainland) exports are not expected to exceed 100,000 tons, while imports of up to 200,000 tons may be approved to cover domestic needs for high quality cotton. The five-year outlook for China (Mainland) suggests production close to 4 million tons and declining consumption to 4.5 million tons.

SUPPLY AND DISTRIBUTION OF COTTON

April 17, 2000

Years Beginning August 1

	1995	1996	1997	1998 Est.	1999 Proj.	2000 Proj.
Million Metric Tons						
BEGINNING STOCKS						
WORLD TOTAL	7.374	8.926	9.391	9.90	9.68	9.05
CHINA (MAINLAND)	2.788	3.715	4.002	4.30	4.12	2.94
USA	0.577	0.568	0.865	0.85	0.85	0.97
NET EXPORTERS	2.954	3.609	3.908	4.05	3.95	4.35
NET IMPORTERS 1/	4.420	5.317	5.484	5.84	5.72	4.70
PRODUCTION						
WORLD TOTAL	20.352	19.599	20.053	18.64	19.16	18.86
CHINA (MAINLAND)	4.768	4.203	4.602	4.50	3.90	3.50
USA	3.897	4.124	4.092	3.03	3.69	4.20
INDIA	2.885	3.024	2.686	2.71	2.75	2.70
PAKISTAN	1.801	1.594	1.561	1.48	1.80	1.55
UZBEKISTAN	1.254	1.062	1.139	1.00	1.16	1.10
TURKEY	0.851	0.784	0.838	0.88	0.85	0.84
OTHERS	4.895	4.808	5.136	5.04	5.01	4.97
CONSUMPTION						
WORLD TOTAL	18.615	19.366	19.296	19.02	19.78	19.94
CHINA (MAINLAND)	4.500	4.700	4.700	4.60	4.80	4.70
INDIA	2.576	2.864	2.684	2.77	2.90	2.95
EU, C. EUR. & TURKEY	2.386	2.502	2.578	2.37	2.54	2.58
USA	2.318	2.422	2.471	2.27	2.18	2.13
EAST ASIA & AUSTRALIA	2.160	2.086	1.922	2.00	2.13	2.18
PAKISTAN	1.540	1.524	1.543	1.53	1.60	1.65
BRAZIL	0.817	0.830	0.793	0.82	0.85	0.87
CIS	0.441	0.406	0.445	0.43	0.52	0.52
OTHERS	1.878	2.033	2.160	2.24	2.27	2.36
EXPORTS						
WORLD TOTAL	5.972	6.049	5.911	5.30	5.95	6.45
USA	1.671	1.495	1.633	0.94	1.40	1.90
UZBEKISTAN	0.940	1.042	1.050	0.90	0.95	1.01
FRANCOPHONE AFRICA	0.608	0.719	0.824	0.84	0.84	0.87
AUSTRALIA	0.308	0.519	0.575	0.66	0.60	0.71
GREECE	0.275	0.195	0.187	0.23	0.26	0.33
ARGENTINA	0.266	0.290	0.220	0.16	0.08	0.07
CHINA (MAINLAND)	0.005	0.002	0.006	0.15	0.30	0.10
IMPORTS						
WORLD TOTAL	5.842	6.122	5.745	5.46	5.95	6.45
EAST ASIA & AUSTRALIA	2.137	1.996	1.793	1.95	2.12	2.14
EU, C. EUR. & TURKEY	1.476	1.621	1.698	1.51	1.60	1.60
SOUTH AMERICA	0.510	0.633	0.581	0.47	0.46	0.53
CIS	0.224	0.206	0.273	0.24	0.30	0.31
CHINA (MAINLAND)	0.663	0.787	0.399	0.07	0.02	0.20
TRADE IMBALANCE 2/	-0.130	0.073	-0.165	0.16	0.00	0.00
STOCKS ADJUSTMENT 3/	-0.055	0.159	-0.087	0.00	0.00	0.00
ENDING STOCKS						
WORLD TOTAL	8.926	9.391	9.895	9.68	9.05	7.97
CHINA (MAINLAND)	3.715	4.002	4.297	4.12	2.94	1.84
USA	0.568	0.865	0.846	0.85	0.97	1.15
NET EXPORTERS	3.609	3.908	4.053	3.95	4.35	4.40
NET IMPORTERS 1/	5.317	5.484	5.842	5.72	4.70	3.57
ENDING STOCKS/USE 4/	0.42	0.42	0.41	0.38	0.39	0.40
COTLOOK A INDEX 5/	85.61	78.60	72.20	58.90	53*	62*

1/ Includes Brazil, China (Mainland), Colombia, Greece, Mexico, Turkey and traditional importers

2/ The inclusion of linters and waste, changes in weight during transit, differences in reporting periods and measurement error account for differences between world imports and exports.

3/ Difference between calculated stocks and actual; amounts for forward seasons are anticipated

4/ World-less-China (Mainland) ending stocks minus China net exports, quantity divided by world-less-China consumption

5/ U.S. Cents per pound. The estimates for 1999/00 are not a model result. The estimates for and 2000/01 are based on net China (Mainland) trade and world-less-China (Mainland) ending stocks to use. The ICAC price model is corrected for the average error. */ 95% confidence interval extends 15 cents above and below the point estimate



Proposed Budget and Scale of Assessments for 2000-01

The Subcommittee on Budget met three times during February and March to discuss the proposed budget for 2000-01. Delegates of Australia, Belgium, Colombia, France, Germany, Greece, Japan, Spain, and USA and the executive director were present at some or all of the meetings; Mr. Alfonso Li vano of Colombia serves as Chair of the Subcommittee on Budget but was not able to attend a meeting on March 23. Mr. Alfonso Pino of Spain served as Chair on March 23.

The Subcommittee and the executive director worked together to review the current financial situation of the Committee and to consider major expenditures for the next fiscal year. The Subcommittee recommends for approval the following proposed budget and scale of assessments for 2000-01 to the Standing Committee.

It is proposed that the budget of the International Cotton Advisory Committee for the period from July 1, 2000, to June 30, 2001, be US\$1,298,500, an increase of 4.1% over the budget for the current year. When adjusted for inflation, the proposed budget for 2000-01 will be about 4% lower than it was in 1996/97. It is proposed that member governments be assessed US\$1,193,000 to finance this budget. Because membership in the Committee has increased by two countries since last year, the average assessment will decrease by more than \$100, even though the total of assessments is rising.

Work Program of the Secretariat

During the past year, the new statistician was successfully integrated into the Secretariat, and the Secretariat adjusted to having a new executive director while maintaining established levels of productivity. The Secretariat will continue to focus on the provision of timely and accurate statistical and technical information while using information technology to communicate with the world cotton industry at reduced costs and increased speed. The Secretariat is working with host countries to make plenary meetings as productive as possible, and the Secretariat will continue to work cooperatively with the Common Fund for Commodities to channel research and development funds to the cotton industry.

Building membership in the Committee, expanding the distribution of publications and encouraging participation in plenary meetings remain priority goals. The Secretariat is facing pressures to become more active in the development and management of projects funded by the Common Fund for Commodities (CFC), and the review and preparation of project proposals is taking increasing amounts of time. The Secretariat is working to develop and implement a business plan recommended by the Private Sector Advisory Panel so as to be able to expand services without raising assessments. The Secretariat has a management objective to use information technology to improve productivity and maintain a technologically sophisticated presence on the Internet.

Economics and Statistics

The Secretariat will continue to observe developments affecting the world cotton situation and maintain and develop complete, authentic and timely statistics relating to world production, trade, consumption, stocks and prices of cotton, other textile fibers and textiles. The Secretariat will provide this information in a timely fashion to member governments, and will analyze and report on government policies affecting the world cotton market.

The Secretariat will publish six issues of *COTTON: Review of the World Situation*, in English, French and Spanish languages and will translate and publish the annual review (the September/October issue) into Arabic and Russian.

The Secretariat will prepare updated information on the world cotton situation for meetings of the Standing Committee and the Advisory Committee and make available regular daily and monthly updates to member country coordinating agencies; the monthly updates will be provided in French, Russian and Spanish as well as English.

The Secretariat will prepare and publish a paper edition of *COTTON: World Statistics* in October 2000 and a CD-ROM edition of the complete basebook of cotton statistics in April 2001.

The Secretariat will prepare and publish *WORLD TEXTILE DEMAND*, *WORLD COTTON TRADE* and the *OUTLOOK FOR COTTON SUPPLY IN 2000-01* in November 2000.

Technical Information

The Secretariat will gather and disseminate information pertaining to cotton research programs. The Secretariat will facilitate the exchange of information and the development of better lines of communication among scientific workers in order to promote a better understanding of research problems.

The Secretariat will publish four issues of *THE ICAC RECORDER* in English, French and Spanish languages. The Secretariat will update the database on cotton production practices and publish a report of the survey of cotton production practices.

The Secretariat will continue work on the 6th Review article.

The Secretariat will conduct a technical seminar at the 59th Plenary Meeting and prepare for the technical seminar at the 60th Meeting.

The Secretariat will provide assistance to regional meetings of cotton researchers and will help organize the 7th ALIDA (Latin American Association for Cotton Research and Development) meeting.

The Secretariat will organize and conduct a ten-day Research Associate Program in the USA in 2001 on a subject related to technical information, and the Secretariat will continue with preparations for the World Cotton Research Conference-3, to be held in 2002.

Forum

The Secretariat will assist the Committee to serve as a forum for international discussions on matters related to cotton by helping to plan and prepare for meetings of the Standing Committee and the plenary meeting.

Common Fund for Commodities

The Secretariat will carry out the Committee's responsibilities in supervising projects financed by the Common Fund for Commodities.

Proposed Expenditures

A budget of \$1,298,500 is proposed for 2000-01, as shown in Table 1. In 2000-01, salary and benefit expenses are estimated at \$848,200, an increase of 6.7% compared with the budgeted amount for the current year. An anticipated change in the tax status of one member of the Secretariat and increases in health insurance costs cause the relatively large increase. Salaries alone are projected to rise by 4%, compared with an average increase in salaries among international and non-profit organizations in the Washington area of about 4.5% during the past year.

Expenses in categories other than salaries and benefits are expected to fall by \$2000 or 0.5% in 2000-01, compared to the amount budgeted in the current year. Part of the savings stem from activities approved as part of the business plan under which the Secretariat will be reimbursed for travel expenses

associated with national cotton industry meetings and supervisory responsibilities related to Common Fund for Commodities projects. Less money will be needed to complete the next review article in 2000-01, and the Secretariat continues to reduce communication expenses through expanded use of the Internet. Now that the threats associated with Y2K have passed, expenditures on equipment will be reduced in 2000-01.

Financing the 1999-00 Budget

Based on elements of the Secretariat's business plan already approved, including those elements in place since 1996, revenues in addition to member government assessments available to finance the 2000-01 budget are estimated as follows:

Sales of publications	\$ 72,000
Registration fee for observers at plenary meeting	\$ 30,000
Recovery of travel costs	\$ 13,000
Plenary meeting trade booths	\$ 6,000
Research associate program tuition	\$ 2,000
Research services	\$ 6,000
Interest income	\$ 22,000
 Total	 \$151,000

Expenditures linked to business plan revenues are estimated as follows:

Publication marketing expenses	\$ 6,000
Travel to national meetings and CFC projects	\$ 13,000
Other activities not yet approved *	\$ 14,000
 Total	 \$ 33,000

* Specific Standing Committee approval necessary prior to expenditure

It is also proposed that the Reserve Fund of the Committee be increased by \$12,500 during 2000-01. The purpose of the Reserve Fund is to cover contingent liabilities of the Committee. These include liabilities under the lease for office space and obligations to employees for unused annual leave at the time of separation and severance benefits in the event that the Secretariat ceases to function. The Reserve Fund is currently \$315,000 and is scheduled to rise to \$328,000 with a transfer of funds in June of this year. By the end of 2000-01, the Reserve Fund would grow to \$340,000. The contingent liabilities of the Committee are estimated at approximately \$700,000.

Given additional revenue of \$151,000 less expenditures linked to the business plan of \$33,000 and a transfer to the Reserve Fund of \$12,500, the required assessment to finance the proposed budget of \$1298,500 will be \$1,193,000. Assessments for the current fiscal year totaled \$1,142,400 or \$50,600 less than the proposal for this year. Calculated assessments for each member country based on the Rules and Regulations are shown in Table 2.

Working Funds of the Committee

The Working Fund of the Committee is expected to be \$174,000 at the end of June 2001, or 13% of the proposed budget level. The Committee always experiences a number of uncertainties in its receipts and expenditures. The cash flow of the Committee is expected to keep the Working Fund within the normal range during the year (Table 3).

Resolutions

The following resolutions are proposed for adoption:

- I. It is resolved that authorized expenditures for the 12 months beginning July 1, 2000, are \$1,298,500
- II. It is resolved that the amounts to be contributed by member governments for the fiscal year beginning July 1, 2000 are those shown in Table 2.
- III. It is resolved that the Reserve Fund be increased to \$340,000 by June 30, 2001.



Draft Proposed Agenda and Timetable for the 59th Plenary Meeting to be held in Cairns Australia 5-10 November 2000

A committee of cotton industry and government representatives in Australia, working with the Secretariat, has developed the draft proposed agenda. The draft proposed agenda is excellent and will help move the world cotton industry forward by focusing discussions on concrete steps to meet the challenges of cotton's future.

The theme of the 59th Plenary Meeting will be meeting global challenges. Discussions are planned on the subjects of the promotion of cotton, responding to global competition by meeting the needs of customers, improving quality and lowering costs, and meeting environmental challenges. Adequate time will be provided for statements by delegations and presentations on the outlook for the world economy and the cotton sector.

Reflecting the culture and traditions of the Australian cotton sector, a new format is proposed for some sessions of the 59th Plenary Meeting. Open sessions are proposed as a new format for less-formal discussions. There will be full simultaneous interpretation during open sessions. Open sessions will be open to all registered participants. The chair of each open session will control discussions just as in a plenary session, but direct input from the floor will be allowed. The Committee will still meet in plenary sessions for opening and closing remarks, statements of countries and international organizations, statements of the Chair of the Standing Committee and executive director and sessions on the world economy and the outlook for cotton.

The Government of Australia and the Australian industry have been planning for the 59th Plenary Meeting for several years, and an extensive social program is being prepared. The Meeting will begin on Sunday 5 November with a bus tour of Cairns and a welcoming reception. Conference dinners, including a special event in a national park near Cairns, are planned for several evenings, and a trip to the Great Barrier Reef aboard comfortable glass-bottomed ships is planned for Wednesday. In addition, conference lunches, as well as tea and coffee breaks, will be provided each day.

Draft Proposed Agenda 59th Plenary Meeting of the ICAC November 5-10, 2000 Cairns, Australia

Sun.	5th	9:00 am	Registration of Delegates and Observers
		6:00 pm	Welcome to Cairns Reception
Mon.	6th	8:00 am	Late Registration
		8:30 am	First Meeting of the Steering Committee (delegates only) Adoption of the Agenda Introduction of Chair and Vice Chairs
		9:00 am	Inauguration of the Plenary Meeting Welcoming Remarks Inaugural Remarks

	10:00 am	First Plenary Session Report of the Chair of the Standing Committee Report of the Executive Director	
	11:00 am	Tea/Coffee	
	11:30 am	Second Plenary Session — World Economic Outlook Economic Speaker(s)	
	12:45	Lunch	
	2:00 pm	Third Plenary Session — Statements Statements of Member Countries, Non-member Countries and International Organizations (5-minute limit enforced by the Chair, with written statements provided to all delegates)	
	3:30 pm	Tea/Coffee	
	4:00 pm	First Open Session: The Promotion of Cotton (An Open Session is proposed as a new format for less-formal discussions during the 59th Plenary Meeting. There will be full simultaneous interpretation. The session will be open to all registered participants, and direct input from the floor will be allowed.) Secretariat Report on Cotton Promotion Speakers from Cotton Australia, Cotton Incorporated, East India Cotton Association, and a major user/consumer	
	7:30 pm	Welcome Conference Dinner	
Tue.	7th	7:00 am	Breakfast Meeting of the Private Sector Advisory Panel
	8:30 am	Third Plenary Session (continued) — Statements Statements of Member Countries, Non-member Countries and International Organizations (5-minute limit enforced by the Chair, with written statements provided to all delegates)	
	10:15 am	Tea/Coffee	
	10:45 am	Fourth Plenary Session — World Cotton Outlook Secretariat Papers Invited Speakers: Trends and Consumer Preferences — Towards 2020 Chemical Fibers: New Developments	
	12:15	Lunch	
	1:45 pm	Second Open Session: The Challenge of Competition Meeting the Needs of Customers Improving Cotton Quality Lowering Cotton Production Costs Impediments to Competition	

		3:30 pm	Tea/Coffee
		4:00 pm	Second Meeting of the Steering Committee (delegates only) Report from the Private Sector Advisory Panel Recommendations from the Standing Committee Election of Officers Working Papers Other Issues
		7:30 pm	Conference Dinner
Wed.	8th	8:30 am	Trip to the Great Barrier Reef
Thr.	9th	8:30 am	Third Open Session: Forum on Cotton — Global Challenges and the Future The Challenge of Clean, Green Cotton: Environmental Issues Sustainable Production systems Threats to Sustainability The Role of Biotechnology
		10:30 am	Tea/Coffee
		11:00 am	Third Open Session (continued): The Challenge to Ginners, Spinners and Textiles: Innovations in Spinning New Marketing Opportunities
		12:30 pm	Lunch
		1:45 pm	Meeting of the Committee on Cotton Production Research Topics for 2001 Update on the WCRC-III Discussion and Summary
		3:30 pm	Tea/Coffee
		4:00 pm	Meeting of the Drafting Group (delegates only)
		7:00 pm	Rainforest Social Event
Fri.	10 th	8:30 am	Third Meeting of the Steering Committee (delegates only) Adoption of the Statement of the 59th Plenary Meeting Report of the Chairman of the Committee on Cotton Production Research
		10:00 am	Tea/Coffee
		11:00 am	Closing Plenary Session Closing Remarks
		12:15 pm	Closing Lunch -- BBQ



INTERNATIONAL COTTON ADVISORY COMMITTEE

Standing Committee
Washington, DC

Attachment V to SC-N-447
April 10, 2000

QUARTERLY STATEMENT OF FINANCIAL POSITION

Beginning Balance, Receipts and Disbursements of ICAC as of March 31, 1999

	July 99-Mar. 2000	Budget 1999/00
Beginning Balance	\$511,197	
Receipts:		
Assessments:		
Current year	657,132	1,142,400
Prior years	277,058	
Year in Advance		
Other Income	61,559	117,200
Total Receipts	995,749	1,259,600
Disbursements:		
Salaries and Benefits	655,639	794,729
Salaries	403,712	558,929
Benefits	251,917	235,800
Pension Contributions	91,430	121,658
Other Benefits	160,487	114,142
Travel and Subsistence	67,749	77,660
Office Equipment	42,101	43,700
Rent	57,265	77,475
Other Expenses	191,744	253,536
Training and Support	21,520	43,500
Printing	20,454	26,886
Phone/Fax/Services	42,329	59,563
Interpretation	75,884	87,400
Audit	8,176	8,000
Legal	1,758	
Office Expenses	21,623	24,412
Transfer to Reserve Fund		12,500
Total Disbursements	1,014,498	1,259,600
Excess (Deficiency) of Receipts over Disbursements	(18,749)	
Ending Balance	492,448	
Working Fund	177,184	
Reserve Fund	315,264	

Uncollected Assessments of Member Governments of ICAC
as of March 31, 2000

Country	Current Year	Prior Years
Argentina	32,800	
Bolivia	12,800	12,100
Brazil	46,300	23,615
Burkina Faso	18,100	
Colombia	14,200	
Cote d'Ivoire	20,100	
Greece	32,100	
Iran	12,700	13,200
Pakistan	25,768	
Paraguay	19,800	
Philippines	16,500	7,668
Sudan	17,200	
Tanzania	15,600	15,200
United States	51,000	
Uzbekistan	103,700	
Total	439,200	71,783

List of uncollected assessments of member governments who have withdrawn or whose membership has been discontinued:

Azerbaijan	22,025
Bangladesh	12,400
El Salvador	34,300
Guatemala	89,408
Honduras	32,105
Hungary	34,700
Iraq	26,800
Mexico	18,700
Nicaragua	94,006
Peru	46,809
Senegal	44,500
Yugoslavia	190,811
Total	646,564