

COMMISSION OF THE EUROPEAN COMMUNITIES

GENERAL BUDGET FOR 1982
SECTION III - COMMISSION

COM(82) 389 final.
Brussels, 16 juin 1982.

TRANSFER OF APPROPRIATIONS No 22/82

(non-compulsory expenditure)

<u>FROM CHAPTER B - 101</u>	-	CONTINGENCY RESERVE
<u>TO CHAPTER A - 27</u>	-	EXPENDITURE ON PUBLISHING AND INFORMATION
Article A - 272	-	<u>Expenditure on the dissemination of information and on participation in public events</u>
Item A - 2721	-	Participation of the Communities in international exhibitions

141 000 ECU

The Financial Controller approved this proposal on 26 March 1982 in accordance with Article 21(4) of the Financial Regulation and certified that the appropriations are available.

GROUNDS

The international exhibition on energy at Knoxville, Tennessee, USA, will take place from 1 May to 31 October 1982.

The Council decision on Commission participation in the exhibition was approved by Parliament in 1980.

The Commission requested an overall budget of 875 000 ECU over three financial years. The budgetary authority approved a total appropriation of 680 000 ECU over three years, divided as follows:

1980:	85 000 ECU
1981:	355 000 ECU
1982:	240 000 ECU
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	680 000 ECU

When the overall budget of 680 000 ECU was fixed in July 1980, exchange rates were as follows:

1 ECU	=	§ 1.42737
§ 1	=	0.70058 ECU

Since then the dollar has risen sharply and the administrative rate in March 1982 was:

1 ECU	=	1.01647
§ 1	=	0.98379 ECU

This 40.5% increase means that the overall budget of 680 000 ECU, which was worth some § 970 000 when it was approved, is now worth only § 691 200.

Since most of the expenditure (e.g. on mounting the stand, American architects, local firms, printed material (such as leaflets), stickers, local staff, the European Day and other information activities and operating expenses for the six months of the exhibition) has to be paid in dollars in the United States, the Commission has insufficient money.

The annexed tables summarize commitments in dollars (Table 1) and orders still to be placed in dollars (Table 5) with US firms. These contracts are directly affected by the rise in the dollar. The tables show both the cost in ECU when the commitment was entered into and the cost in ECU at the

exchange rate applicable at the time the budget was approved (July 1980). The shortfall is therefore evident.

These tables also list contracts with European firms (Tables 2 and 3) which, although drawn up, as required by Commission rules, in a currency other than the dollar, are wholly or partly affected by the rise in the dollar because they are for work to be carried out in the United States and the contracting firms based their prices on the current dollar exchange rate.

The total effect of the depreciation of the ECU amounts to 141 028 ECU (Table 6) and the Commission therefore proposes to transfer 141 000 ECU from Chapter 101 (Contingency Reserve) to item 2721 in Section III A of the general budget (Participation of the Communities in international exhibitions).

NB. Further grounds are set out in Annexes 1 to 4.

ENERGY EXPO KNOXVILLE 1982

STATEMENT OF EXPENDITURE IN \$ AND LOSSES SUSTAINED ON
CONTRACTS CONCLUDED THROUGH THE RISE IN THE DOLLAR

C O M M I T M E N T S					ECU cost at rate of 31.7.80 (\$1 = 1,42737 ECU)	Difference between ECU cost at date of commitment and at 31.7.80
Date	Purpose	\$	Exchange rate at date of commitment	ECU cost at date of commitment		
12.12.80	Assembly	101.000	1,31449	76.835	70.759	- 6.076
26.09.81	Assembly	16.083	1,32262	14.200	11.268	- 2.932
29.10.81	Shared services	62.825	1,09180	57.543	44.015	- 13.528
01.12.81	Architect's fees	4.461	1,09993	4.056	3.125	- 931
15.12.81	Air conditioning	8.600	1,10554	7.779	6.025	- 1.754
18.12.81	Air conditioning	21.000	1,10554	18.995	14.712	- 6.283
16.01.82	Architect's fees	3.000	1,09601	2.737	2.102	- 635
04.02.82	Building modifications	10.000	1,09601	9.124	7.006	- 2.118
08.03.82	Operating expenses	168.000	1,01647	165.277	117.699	- 47.578
	T O T A L S	394.969		356.546	276.711	- 79.835

Contracts concluded in European currencies but based wholly or partly on dollar prices and so directly affected by rises in the dollar

Decoration of the facade of the Community pavillion

Since this work is to be done in Knoxville, the German firm DURMA submitted a tender calculated in dollars in response to the invitation to tender put out by our American architects. DURMA's tender was the lowest and it was awarded the contract. In accordance with Commission rules, this was then converted at the current exchange rate into DM so that the Commission could make its order and pay its share in DM to the company's German account. The other partners are paying their contributions in dollars to the local account of the firm in Knoxville.

C O M M I T M E N T S					ECU cost at rate of 31.7.80 ($\$1 = 1,42737$)	Difference between ECU cost at date of commitment and at 31.7.80
Date	Purpose	DM = $\$$	Exchange rate at date of commitment	ECU cost at date of commitment		
19.11.81	Exterior decoration	DM 103.714 at $\$1 = DM 2.28 =$ $\$45.488$	1,09993	41.355	31.868	- 9.487
09.02.82	Sculpture etc.	DM 27.000 at $\$1 = DM 2.28 =$ $\$11.842$	1,04412	11.341	8.296	- 3.045
	T O T A L S	DM 130.714 = $\$57.330$		52.696	40.164	- 12.532

Note: This is a joint order by the five participants (France, Germany, Italy, the United Kingdom and the Commission). The Commission is responsible for one fifth of the cost.

ENERGY EXPO KNOXVILLE 1982STATEMENT OF EXPENDITURE IN LIRE AND LOSSES SUSTAINED ON CONTRACTS CONCLUDED
THROUGH THE RISE IN THE DOLLARDecoration of the Commission's stand

The invitation to tender was issued in Europe and those participating submitted an inclusive price in national currency covering design, execution, transport, assembly, maintenance of the audio-visual exhibition for six months, etc. As regards that part of the work to be carried out on the spot (e.g. transport, assembly, maintenance and removal), which was therefore payable in the USA in dollars, these tenders were based on the exchange rate current on 1 October 1981, the date the tender was submitted.

The contract was awarded to PRODES, Rome, whose inclusive price of Lit 295 million included:

assembly at and removal from Knoxville	Lit 25,000,000
maintenance of the audio-visual exhibition, included in the total price of the exhibition	approx. Lit 12,000,000
sea transport at dollar rates	approx. Lit 17,000,000
supplies by American sub-contractors (e.g. carpets, electrical equipment) included in the total price for the stand	approx. Lit 36,000,000

COMMITMENTS					ECU cost at rate of 31.7.80	Difference between ECU cost at date of commitment and at 31.7.80
Date	Purpose	Lit = £	Exchange rate at date of commitment	ECU cost at date of commitment		
27.10.81	Stand: assembly and removal	Lit 25,000,000 at 1.183 = £ 21.132	1,09180	19.355	14.805	- 4.550
	Maintenance	Approx. Lit 12,000,000 at 1.183 = £ 10.143	1,09180	9.290	7.106	- 2.184
	Transport	Lit 17,000,000 = £ 14.370	1,09180	13.162	10.067	- 3.095
	American suppliers	Lit 36,000,000	1,09180	27.872	21.320	- 6.552
	TOTALS	Lit 90,000,000 = £ 76.076		69.679	53.298	- 16.381

STATEMENT OF COMMITMENTS WHOSE TOTAL COST IS NOT GREATLY
INFLUENCED BY THE RISE IN THE DOLLAR

	<u>ECU</u>
Preparation	2.000
Preparation	2.000
Meetings with Fair management	2.500
Preparation	2.000
Decoration of stand (part):	
Lit 295.000.000	
- 25.000.000	
- 12.000.000	
- 17.000.000	
- 36.000.000	
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Lit 205.000.000	
	at exchange rate of 27.10.81
	(Lit 1291,60 = 1 ECU)
	158.718
Miscellaneous	2.000
Meetings	2.000
Euroquiz	30.618
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	201.836
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ENERGY EXPO KNOXVILLE 1982

STATEMENT OF EXPENDITURE IN \$ AND LOSSES SUFFERED ON CONTRACTS
NOT YET AWARDED THROUGH THE RISE IN THE DOLLAR

Purpose	\$	Exchange rate	ECU	Exchange rate on 31.7.80	ECU on 31.7.80	Difference in ECU
First printing of leaflet	8.050	1,01647	7.920	1,42737	5.640	- 2.280
First printing of sticker	8.932		8.787		6.258	- 2.529
Finishing of stand	10.000		9.838		7.006	- 2.832
Reprinting of leaflet	30.000		29.513		21.018	- 8.495
Reprinting of sticker	17.000		16.725		11.910	- 4.815
Reprinting of publicity	10.000		9.838		7.006	- 2.832
European Day	30.000		29.514		21.018	- 8.496
TOTALS	113.982		112.135		79.856	- 32.279

S U M M A R Y

	<u>Current ECU</u>	<u>ECU at 30.7.80</u>	<u>Difference</u>
Statement of expenditure in \$ (Table 1)	356.546	276.711	79.835
Statement of expenditure in DM/\$ (Tables 2 & 3) and Lit/\$	122.375	93.462	28.913
Statement of commitments whose total cost is not greatly influenced by the \$ (Table 4)	201.836	201.836	0
SUB-TOTALS	680.757	572.009	108.748
Orders still to be placed (\$113.982) (Table 5)	112.135	79.855	32.280
TOTALS	792.892	651.864	141.028

APPROPRIATIONS IN CHAPTER B -- 101

ON 26 MARCH 1982

Amount entered in 1982 budget	5 000 000 ECU
Transfer authorized to item A -- 2988	52 000 ECU
Amount available	4 948 000 ECU

LIST OF ANNEXES
(additional grounds)

- Annex 1 - Extracts from revenue and expenditure accounts
- Annex 2 - List of payments
- Annex 3 - Estimate of depreciation of ECU in absolute terms
- Annex 4 - USD rate against the ECU

Subject: Transfer No 7/82 - Knoxville International Exhibition,
1 May - 31 October 1982

I. Extracts from revenue and expenditure accounts
at 31 March 1982 (in ECU)

Year	Approps	Commitments	Payments		Approps lapsing
			Approps for year	Approps carried over	
1980	85.000	76 835,88	-	-	8.164,12
1981 Provisional	350.000	349 604,37	142 856,74	76 835,88	395,63
1982 at 31.3.82	255.000	247 256,75	44 554,09	148 369,80	(available) 7 743,25

II. Total of usable appropriations

1980 :	85.000	- 8 164,12	76 835,88
1981 :	350.000	- 395,63	349.604,37
1982 :	255.000	-	255.000,00
Total	690.000	- 8 559,75	681 440,25

III. Total payments at 31 March 1982

Year	Approps for year	Approps carried over	Total
1980	-	-	-
1981	142 856,74	76 835,88	219 692,62
1982	44 554,09	148 369,80	192 923,89
Total	187 410,83	225 205,68	412 616,51

IV. Total commitments at 31 March 1982

1980 :	76 835,88
1981	349 604,37
1982	247 256,75
Total	673 697,00

LIST OF PAYMENTS

Item 2721: Participation of the Communities in international exhibitions

Knoxville, 1 May to 31 October 1982

Serial No	Date	Amount and currency	Amounts in ECU		Amount in ECU at July 1980 rate
			From approps for year	From approps carried over from preceding year	
1	23/4/81	1 213,75 USD	1 002,68	-	850,32
1	3/4/81	97 391,50 USD		80 454,93	68 230,53
2	4/5/81	3 837,00 BFR	92,81		92,81
3	5/5/81	632,50 USD	558,44		443,11
4	15/6/81	3 958,15 USD	3 619,05		2 773,00
2	15/6/81	- 3 958,15 USD		3 619,05	- 2 773,00
5	4/8/81	27 350,00 BFR	662,24		662,24
6	"	10 285,00 BFR	249,04		249,04
7	21/9/81	6 038,00 BFR	146,89		146,89
8	24/9/81	9 680,00 BFR	235,50		235,50
9	9/10/81	3 137,28 USD	2 873,49		2 197,91
10	19/11/81	1 493,00 BFR	36,59		36,59
11	19/11/81	47 500 000,00 LIT	113 355,16		86 706,22
12	2/12/81	126,00 BFR	3,04		3,04
13	"	11 407,00 USD	10 318,03		7 991,51
14	"	822,37 USD	743,86		576,13
15	"	7 401,38 USD	6 694,81		5 185,25
16	23/12/81	2 449,67 USD	2 215,81		1 716,18
17	"	54,50 USD	49,30		38,18
1	29/1/82	15 063,75 USD		13 744,17	10 553,36
2	"	1 673,75 USD		1 527,13	1 172,59
3	"	3 015,00 BFR		72,34	72,34
1	26/2/82	30 000 000,00 LIT	23 039,00		17 622,70
2	"	16 160,00 DM	6 656,78		5 073,68
4	8/2/82	1 292,75 USD		1 238,12	905,67
5	"	11 633,50 USD		11 141,92	8 150,19
6	19/2/82	88 500 000,00 LIT		67 591,82	51 701,50
7	22/2/82	2 328,00 USD		2 253,11	1 630,95
8	"	72 599,80 DM		29 906,00	22 793,84
9	24/2/82	1 455,25 USD		1 408,43	1 019,51
10	"	13 096,25 USD		12 674,94	9 174,97
3	18/3/82	12 355,00 USD	12 154,81		8 655,66
4	"	1 903,01 USD	1 872,18		1 333,21
5	24/3/82	7 260,00 BFR	163,01		163,01
6	"	7 266,00 BFR	163,15		163,15
7	29.3.82	83,48 USD	82,13		58,48
8	31/3/82	430,00 USD	423,03		301,24
11	1/3/82	4 445,00 BFR		99,81	99,81
12	18/3/82	6 272,00 USD		6 170,37	4 394,03
13	"	550,56 USD		541,64	385,71
TOTALS:			187 410,83	225 205,68	320 787,05

ESTIMATE OF DEPRECIATION OF ECU IN ABSOLUTE TERMS

ECU

A. Effect on amounts paid at 31 March 19821. Payments entered into accounts at 31 March

Annex 1 and Annex 2 (187.410,83 + 225.205,68): 412.616,51

2. Estimate of payments converted into ECU at rate of exchange current in July 1980

Total of table in Annex 2: 320.787,05

Adjustment in respect of effect
on expenditure in Italian lire
(LIT) (see table 3 of transfer
7/82):47.955,56 - 16.381,00 = 31.574,56 352.361,613. Depreciation of ECU for payments made

60.254,90

B. Effect on payments outstanding at 31 March1. Payments outstanding:

680.000 - 352.361,61 = 327.638,39 ECU

2. At the rate current in July 1980, this sum is equivalent to:

327.638,39 x 1,42737 = USD 467.661,20

3. At the rate of exchange current in May 1982, this sum in USD is equivalent to:

$$\frac{467.661,20}{1,02752} = 455.135,86$$
4. Depreciation of the ECU for payments outstanding:

455.135,86 - 327.638,39 =

127.497,47C. Total amount of depreciation of ECU:187.752,37

USD rate against the ECU

	Value of ECU		<u>Percentage change from</u> July 1980 value	
	Beginning of month	End of month	Beginning of month	End of month
July 1980	1,42737	1,41735	-	-
August	1,41062	1,41086	- 1,17	- 0,46
September	1,41636	1,39994	- 0,77	- 1,23
October	1,40546	1,34724	- 1,53	- 4,95
November	1,34163	1,32641	- 6,01	- 6,42
December	1,31449	1,30963	- 7,91	- 7,60
January 1981	1,29951	1,22974	- 8,96	- 13,24
February	1,23259	1,19385	- 13,65	- 15,77
March	1,18325	1,20966	- 17,10	- 14,65
April	1,21051	1,14807	- 15,19	- 19,00
May	1,13262	1,09382	- 20,65	- 22,83
June	1,09370	1,05450	- 23,38	- 25,60
July	1,04824	1,02302	- 26,56	- 27,82
August	1,00797	1,03301	- 29,38	- 27,12
September	1,02517	1,06680	- 28,18	- 24,73
October	1,09180	1,08358	- 23,51	- 23,55
November	1,09993	1,11451	- 22,94	- 21,37
December	1,10554	1,08517	- 22,55	- 23,44
January 1982	1,09601	1,05934	- 23,21	- 25,26
February	1,04412	1,01700	- 26,85	- 28,25
March	1,01647	0,99518	- 28,79	- 29,79
April	0,99617	1,02190	- 30,21	- 27,90
May	1,02752		- 28,01	