United Nations

Report of the Committee on Contributions

General Assembly

Official Records · Fiftieth Session
Supplement No.11 (A/50/11)

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Annexes

I. ATTENDANCE

1. The fifty-fifth session of the Committee on Contributions was held at United Nations Headquarters from 12 to 30 June 1995. The following members were present: Mr. Alvaro Gurgel de Alencar, Mr. Tarak Ben Hamida, Mr. Uldis Blukis, Mr. Sergio Chaparro Ruiz, Mr. Yuri A. Chulkov, Mr. David Etuket, Mr. Neil Francis, Mr. Igor V. Goumenny, Mr. William K. Grant, Mr. Masao Kawai, Mr. Li Yong, Mr. Vanu G. Menon, Mr. Enrique Moret Echeverria, Mr. Mohamed Mahmoud Ould Cheikh El Ghaouth, Mr. Dimitri Rallis, Mr. Ugo Sessi, Mr. Agha Shahi and Mr. Adrien Teirlinck. Ambassador Amjad Ali, who is a member emeritus of the Committee, was not able to attend.

2. The Committee elected Mr. David Etuket as Chairman and Mr. Ugo Sessi as Vice-Chairman.

II. TERMS OF REFERENCE

3. The Committee conducted its work on the basis of its general mandate, as contained in rule 160 of the rules of procedure of the General Assembly; the original terms of reference of the Committee contained in chapter IX, section 2, paragraphs 13 and 14 of the report of the Preparatory Commission (PC/20) and in the report of the Fifth Committee (A/44), adopted during the first part of the first session of the General Assembly on 13 February 1946 (resolution 14 A, 3 (I)); and the mandate contained in General Assembly resolutions 48/223 C of 23 December 1993 and 49/19 A of 29 November 1994.

4. The Committee had before it General Assembly resolution 49/19 B of 23 December 1994, the summary records of the Fifth Committee for the forty-ninth session relating to agenda item 112, entitled "Scale of assessments for the apportionment of the expenses of the United Nations" (A/C.5/49/SR.3-7, 19 and 38), the relevant reports of the Fifth Committee to the General Assembly (A/49/673 and Add.1) and the report of the Ad Hoc Intergovernmental Working Group on the Implementation of the Principle of Capacity to Pay (A/49/897). The Committee also had before it the relevant summary records of the Fifth Committee for the forty-eighth session (A/C.5/48/SR.5-9, 12, 41 and 45), the report of the Fifth Committee (A/48/806) and the provisional verbatim record of the 87th plenary meeting of the General Assembly (A/48/PV.87).

III. SCALE METHODOLOGY

5. General Assembly resolution 48/223 C of 23 December 1993 reads as follows:

> "The General Assembly
>
> "1. Requests the Committee on Contributions to undertake a thorough and comprehensive review of all aspects of the scale methodology with a view to making it stable, simpler and more transparent while continuing to base it on reliable, verifiable and comparable data, and to report thereon to the General Assembly at its fiftieth session;
>
> "2. Reaffirms the principle of capacity to pay as the fundamental criterion for determining the scale of assessments, and agrees, in principle, to establish an ad hoc body to study the implementation of this principle in determining the scale of assessments and to consider its mandates and modalities at a later stage in the forty-eighth session."

6. The General Assembly, by its resolution 49/19 A of 29 November 1994, decided that:

> "The working group is to study and examine all aspects of the implementation of the principle of capacity to pay as the fundamental criterion in determining the scale of assessments for contributions to the regular budget and to submit a report thereon to the General Assembly no later than 15 May 1995, in order to permit the Committee on Contributions to take it into consideration in its review requested in paragraph 1 of Assembly resolution 48/223 C."

7. In conducting its review of all aspects of the scale methodology, the Committee on Contributions also considered the various proposals, suggestions and recommendations contained in the report of the Ad Hoc Intergovernmental Working Group on the Implementation of the Principle of Capacity to Pay and examined them in the context of its comprehensive review of the scale methodology.

8. The Committee, noting that the next scale of assessments for the period 1998-2000 was not due to be considered until its fifty-seventh session in 1997, and in consideration of the comprehensive nature of the mandate given to it by the General Assembly, decided to undertake the current comprehensive review of the scale methodology over a period of two sessions. This schedule will permit the Committee on Contributions more careful reflection on the various issues before it and enable it to submit a final comprehensive report thereon to the General Assembly before the end of its fiftieth session.

9. The Committee took note of the comparative assessment-related figures provided by the Working Group in paragraphs 19 to 22 of its report.

A. Capacity to pay

10. The Committee noted that the Working Group had considered capacity to pay in paragraphs 26 to 38 of its report and recalled previous resolutions of the General Assembly that reaffirmed the principle of capacity to pay as the fundamental criterion for determining the scale of assessments.

11. The Committee also noted that the Working Group had raised a number of issues dealing with the concept of capacity to pay, which would be included in the work of the Committee in 1996.

B. Income measures

12. The Committee took note of the comprehensive description of different income measures in paragraphs 39 to 51 of the report of the Working Group.

13. The Committee decided that various aggregates of measurement such as gross domestic product (GDP), gross national product (GNP) and national income should be kept under review and that further studies on these should be undertaken in the context of the review of the scale methodology to be completed in 1996.

14. The Committee's major effort was directed towards an evaluation of the Working Group's recommendation, in paragraph 49 of its report, to use GNP as a starting-point, or as a first approximation, of the measurement of capacity to pay. In doing so, the Committee noted that the use of GNP as a basis for calculation of the scale of assessments rather than national income would dispense with the deduction of allowances for depreciation of fixed assets from the income concept (see annex I for the step-by-step adjustments illustrating the effect of changing the income measure from national income to GNP in the formulation of the scale of assessments).

15. It also decided to keep under review other alternative measures of income, such as debt-adjusted income discussed in previous reports of the Committee and the report of the Working Group. The Committee also decided to follow up on the recommendation in paragraph 51 of the report of the Working Group on data concerning the former centrally planned economies.

C. Base period

16. The Committee noted the contents of paragraphs 66 to 77 of the report of the Working Group on the base period.

17. Some members of the Committee stated their preference for the three-year base period as proposed by the Working Group, on the grounds that it better reflected current capacity to pay. Other members of the Committee believed that a longer base period produced stability and predictability in the scale as it evened out any excessive fluctuations in the incomes of Member States during the base period. Some members felt that a shortening of the base period while the scheme of limits was being phased out could cause instability and excessive changes in the rates of assessment of some Member States.

18. The Committee reiterated its view that the base period should be a multiple of the scale period. Over one or several scale periods, that recommendation would avoid using data from some years more frequently than the data of other years. 1/ The Committee is also of the view that the base period should not be shorter than the scale period. In discussing this issue, the Committee asked for an illustrative table based on the actual methodology and showing the effects of a three-, six- and nine-year base period (see annex II). The Committee decided to study in 1996 the possibility of changing the base period and to report thereon to the General Assembly. Some members of the Committee supported the view that the base period, once adopted, should not be changed in successive scale periods.

19. Some members of the Committee acknowledged that annual recalculations of the scale, as recommended in paragraph 77 of the report of the Working Group, would be useful in order to determine fluctuations in national incomes and requested the Secretariat to make such information available to the Committee at the beginning of the next session. The intention in asking for this recalculation is to keep under review the evolution of national incomes in successive years. The Committee noted that rule 160 of the rules of procedure of the General Assembly provided that a scale of assessments, once fixed, would not be subject to a general revision for at least three years, unless it was clear that there had been substantial changes in relative capacity to pay.

D. Conversion rates

20. The Committee took note of the Working Group’s discussion and of its conclusions on the subject of conversion to a common currency in paragraphs 78 to 97 of its report. The Committee, pursuant to its request in paragraph 50 of its report 2/, had at its disposal the document entitled "Review of the use and application of conversion rates in the formulation of the scale of assessments" (see annex III), which provides a range of historical perspectives on exchange rate applications, a brief summary of the principal types of conversion rates examined in the past by the Committee and the availability of each rate by a number of countries over a period of years.

21. The Committee, in its past deliberations, has examined four types of conversion rates, namely IMF market exchange rates (MERs); price-adjusted rates of exchange (PAREs) developed by the United Nations Statistical Division; purchasing power parity (PPP) estimates extracted from the Penn World Tables data bank developed by the University of Pennsylvania; and the World Bank Atlas conversion rates.

22. After an extensive discussion of the subject, the Committee agreed with the proposals for further work that were made in paragraph 6 of document annex III.

23. It is the Committee’s intention to study appropriate new criteria for replacing MERs when their use produces excessive fluctuations or distortions in the income of some Member States and, in this context, reference was made by some members to the World Atlas exchange rates.

E. Debt-burden adjustment

24. The Committee noted the contents of paragraphs 61 to 65 of the report of the Working Group concerning debt-burden adjustment. The Committee also made reference to the document entitled "Evolution of the methodology for the scale of assessments and its current application" (A/CN.2/R.532 of 24 April 1989), which outlined in detail the evolution and background of this adjustment.

25. During the in-depth discussion of the debt-burden adjustment, it became evident that there was no consensus among members of the Committee either on the importance of maintaining the adjustment or on how to calculate it. Some members considered that debt-burden adjustment should continue to be applied in calculating the capacity to pay of Member States that faced high levels of external debt. Other members had strong doubts about the conceptual justification of the present debt-burden adjustment approach as they felt that it was too notional. Those same members preferred a debt-burden adjustment approach based on actual debt repayment.

26. The Committee agreed that the concept of debt-adjusted income should be reviewed in accordance with the recommendations made at its fiftieth session. The Secretariat was asked to provide, from the International Monetary Fund (IMF) or any other comparable source, to the Committee at its 1996 session, data for all countries on actual repayments of debt, debt stock, as well as the ratio of debt to national income and the ratio of debt-service to export earnings.

27. In conclusion, the Committee agreed to study at its next session the issue of debt-burden adjustment formula, including possible alternatives.

F. Low per capita income adjustment

28. The Committee noted the Working Group's discussions on low per capita income adjustment in paragraphs 98 to 108 of its report.

29. Some members of the Committee agreed with the suggestion by the Working Group that a clear criterion was needed for updating the per capita income limit, while some others felt the current system was the most appropriate.

30. The Committee undertook an extensive discussion of the low per capita income adjustment. Some members stressed that the low per capita income allowance was a fundamental, integral and automatic aspect of the current scale methodology and that adjustments for low per capita income had been in use since 1946. Those members felt that the parameters of the current formula, as it had evolved through the years, met the need of countries with low per capita income and best reflected the capacity to pay of Member States and therefore required no further change. Some other members were of the view that the low per capita income adjustment should be amended since, over the years, it had resulted in wide differences in the assessment rates of Member States in similar economic circumstances, especially among the developing countries, benefiting mainly a very limited number of developing countries with large populations and large economies and a few large middle-income countries, without any appreciable benefits to the great majority of developing countries that had small economies. The same members were of the opinion that there was no technical justification for selecting one percentage gradient rather than another and felt that in any case the actual level of the gradient was too high. Some other members however were of the view that the successive reviews of the effects of changing the gradient demonstrated the necessity of keeping it at the current level.

31. Following the discussion described above, the Committee decided to attach to its report a table prepared by the Secretariat (see annex IV), showing a comparison of the assessment rates of Member States as adopted by the General Assembly in its resolution 49/19 B of 23 December 1994 for the year 1997, with their share of national income in total world income. Other relevant data are also contained in the annex.

32. In the context of the work of the Committee for 1996, two members of the Committee made proposals regarding the low per capita income allowance. The first proposal would replace the present adjustment with one directly linking the percentage relief that a Member State would receive to its per capita income level. The second proposal would set the gradient according to a criterion based on a maximum allowable deviation of the assessment rate from the global share of income for the Member State with the lowest per capita income.

33. Since the Committee did not have sufficient time to study these two proposals in depth at the current session, it decided that a comprehensive study

on their feasibility, and other alternatives, would be undertaken in 1996 in conjunction with its overall review of the scale methodology.

G. Population data

34. The Committee agreed with the recommendation of the Working Group contained in paragraph 115 of its report for determining the per capita national income.

H. Floor

35. Having before it the table in annex IV, the Committee recognized the apparent distortions in the capacity to pay inherent in the current system, whereby a large number of Member States, including many least developed countries, had their country shares, which were below 0.01 per cent (one point), raised to the floor rate. It was the belief of the Committee that that anomaly could be rectified in part by lowering the floor.

I. Ceiling

36. The Committee will take up the issue of the ceiling at its next session.

J. Scheme of limits

37. The Committee noted in its discussions that, as mandated in General Assembly resolution 48/223 B, the complete phasing-out of the scheme of limits would be undertaken in connection with the adoption of the next scale.

K. Rounding

38. The Committee endorsed the recommendation of the Working Group that the scale of assessments be expressed in percentages of more than two decimal places. Although the Working Group explicitly recommended carrying the scale to three decimal places, the Committee decided that it was premature at that stage to determine the exact number of decimal places and that further exploration and discussion of the issue should coincide with a review of the floor rate, which was currently set at 0.01 per cent.

39. It was the general feeling of most members of the Committee that expressing the scale with more than two decimal places would be inherently fairer and render it more precise. Some members of the Committee felt that the issue of rounding should be studied further and linked to the concept of a floor that was the minimum rate in the scale of assessments for the United Nations regular budget.

L. Database maintenance

40. The Committee agrees with the recommendation of the Working Group that a database suitable for evaluation and simulation of the system be maintained by the United Nations Statistical Division. This database should also serve to facilitate the review of the evolution of national economies over time.

IV. ASSESSMENT OF PALAU

41. According to rule 160 of the rules of procedure of the General Assembly, the Committee is called upon to advise the Assembly on assessments to be fixed for new Members. Regulation 5.8 of the Financial Regulations of the United Nations provides that "new Members shall be required to make a contribution for the year in which they become Members and to provide their proportion of the total advances to the Working Capital Fund at rates to be determined by the General Assembly".

42. Palau was admitted to membership in the Organization on 15 December 1994 by General Assembly resolution 49/63.

43. On the basis of national income and population data available at the United Nations Statistical Division, the rate of assessment of Palau for 1995, 1996 and 1997 should be 0.01 per cent.

44. By its decision 47/456, the General Assembly allocated one-twelfth of a new Member State’s rate of assessment per full calendar month of membership as the basis of assessment for the year of admission.

45. The Committee recommends that for 1995, the contribution of Palau should be applied on the same basis of assessment as for other Member States, except that, in the case of appropriations or apportionments approved by the General Assembly for the financing of the United Nations peace-keeping operations, the contributions of the new Member, as determined by the group of contributors to which it may be assigned by the Assembly, should be calculated in proportion to the calendar year and that its actual assessments should be taken into account as miscellaneous income under regulation 5.2 (c) of the Financial Regulations and Rules of the United Nations.

46. The advance of Palau to the Working Capital Fund under regulation 5.8 of the Financial Regulations of the United Nations shall be calculated by the application of the rate of assessment in effect during their first full year of membership to the authorized level of the Fund and shall be added to the Fund pending the incorporation of its rate of assessment in a 100 per cent scale.

V. REPRESENTATIONS OF MEMBER STATES AND OTHER MATTERS CONSIDERED BY THE COMMITTEE

47. The Committee had before it written representations from Turkey, Kyrgyzstan and Iraq. It received and granted requests for oral representations from Guatemala, the Dominican Republic and Iraq. They are summarized below.

A. Direct representations

1. Turkey

48. The Government of Turkey expressed its concern that the Committee on Contributions had not included Turkey in the list of developing countries within the context of the United Nations and other financial or economic institutions and that therefore Turkey did not benefit from the 15 per cent limitation on the effect of the phase-out of the scheme of limits, thus resulting in an increase in its rate of assessment. The representation included publications from various financial and economic institutions, such as IMF, the World Bank and the United Nations Conference on Trade and Development (UNCTAD), listing Turkey as a developing country.

49. Turkey also questioned the accuracy of the data used in the calculation of its rate of assessment.

50. The Committee had before it statistical data related to Turkey's national income, per capita income and other pertinent data considered in the derivation of Turkey's rate of assessment which had been obtained from official sources, i.e., the reply to the United Nations national accounts questionnaire by the Government *vis-à-vis* the national income data, the IMF, *International Financial Statistics* (IFS) for exchange rate data, the United Nations *Demographic Yearbook*, published by the United Nations Department for Economic and Social Information and Policy Analysis of the Secretariat with regard to population estimates and the World Bank *World Debt Tables* 1993-1994 for total debt.

51. The Committee also referred to paragraph 2 of General Assembly resolution 48/223 B of 23 December 1993, in which it was decided that "in phasing out the scheme of limits, the allocation of additional points resulting therefrom to developing countries benefiting from its application shall be limited to 15 per cent of the effect of the phase-out".

52. In the context of its work, the Committee has considered Turkey a developing country. However, in accordance with paragraph 2 of General Assembly resolution 48/223 B, only those developing countries that had benefited from the scheme of limits and whose rates were increasing in the new scale were subject to the 15 per cent provision in phasing out the scheme of limits. Therefore, based on the fact that Turkey had not benefited from the scheme of limits in the previous scale, Turkey had not been subject to the 15 per cent limitation on the effect of the phase-out of the scheme of limits. In view of those circumstances, and after examining the data described in paragraph 50 above, the Committee could not find grounds for adjustment of Turkey's rate of assessment for the years 1995-1997.

2. Kyrgyzstan

53. Kyrgyzstan brought to the attention of the Committee its concern regarding the difficult financial situation of the United Nations, its recognition of its obligation to pay assessments in full and on time, and, nevertheless, its inability to rule out the possibility that, in spite of its best efforts, the arrears of Kyrgyzstan would exceed, by January 1996, the amount specified in Article 19 of the Charter as necessary to retain the right to vote in the General Assembly. Kyrgyzstan cited statistics indicating the decline in all sectors of its economy and the disruptions in trade suffered as a consequence of the disintegration of the former Soviet Union and its links to it. It also indicated that the country was undergoing severe difficulties in servicing its external debt obligations and a deterioration in its balance of payments due to high fiscal deficits. It restated that the capacity to pay should be the basic principle for calculation of the assessments of Member States to the regular budget and that, in the current scale of assessments, the assessment rate of Kyrgyzstan was three times higher than it would be without the scheme of limits.

54. The Committee took note of the representation of Kyrgyzstan and was sympathetic to its situation but, in the absence of a request from the General Assembly, did not advise the Assembly on action to be taken with regard to the application of Article 19 of the Charter.

3. Guatemala

55. Guatemala, in its representation, appealed for a change of its rate of assessment as it believed that its rate did not reflect its real capacity to pay and the serious economic difficulties suffered by the country as a result of the state of war that had existed in the country in the 1980s. It cited statistics relating to its current balance-of-payments deficits and high rate of inflation. It stated that the present rate of assessment set for Guatemala for the years 1995 to 1997 was too high and would prevent it from meeting its financial obligations to the Organization, which had also increased with the increase in peace-keeping operations and that, as a result, it was unable to meet fully the minimum payment necessary to enable it to regain its right to vote under Article 19 of the Charter.

56. The Committee felt that it had insufficient information on the country’s current economic and financial situation and requested Guatemala to provide the Committee with the necessary information to enable it better to assess the situation with regard to Guatemala’s inability to pay its contributions.

57. The Committee sympathized with the economic and financial difficulties faced by Guatemala. However, it noted that only in exceptional circumstances, for instance, in cases where erroneous data had been used in the calculation of the scale of assessments, could the scale, once set, be subject to revision.

B. Representations of Member States in connection with advice sought by the President of the General Assembly

1. Dominican Republic

58. The Committee had before it a letter dated 5 December 1994 from the President of the General Assembly concerning the request, under Article 19 of the Charter of the United Nations, by the Permanent Representative of the

Dominican Republic on the subject of his country's arrears. In a letter dated 3 November 1994 to the President of the General Assembly, the Permanent Representative stated the inability of the Dominican Republic to pay the minimum amount necessary to regain its right to vote.

59. In the letter, the Permanent Representative referred to economic losses sustained by the Government of the Dominican Republic as a result of the United Nations embargo against Haiti and to Article 50 of the Charter, under which the Government had requested compensation from the Security Council for the losses suffered as a result of the implementation of Security Council resolutions 841 (1993) and 917 (1994). Appendix II to the memorandum of 4 October 1994 submitted to the Secretary-General by the Secretariat of State for Foreign Affairs of the Dominican Republic outlined in detail the Government's assessment of the economic impact of the embargo on the Government of the Dominican Republic.

60. The Government of the Dominican Republic requested the General Assembly, pending the decision by the Security Council on its request for compensation under Article 50 of the Charter and citing the economic losses sustained as a result of the embargo, to invoke the provision of Article 19 of the Charter, under which the General Assembly may permit a Member State to vote despite the fact that its arrears equal or exceed the amount of the contributions due from it for the preceding two full years, if it is satisfied that the failure to pay is due to conditions beyond the control of the Member State.

61. The Committee considered request of the Dominican Republic carefully and, in view of the fact that the data submitted dated back to October 1994 and that the United Nations embargo against the Government of Haiti had since been lifted, the Committee concluded that more recent statistical data on the current financial and economic situation of the Dominican Republic would be necessary in order to determine whether the inability to pay still existed and was beyond the control of the Dominican Republic. The Committee, while expressing its sympathy with the Dominican Republic's request, decided that, upon receipt of the updated data, it would be better able to ascertain the exact current economic situation of the Dominican Republic and advise the General Assembly accordingly with specific regard to the application of Article 19 as set out in rule 160 of the rules of procedure of the General Assembly. The Committee stressed the fact that the Dominican Republic's request for compensation under Article 50 of the Charter was beyond its mandate.

2. Iraq

62. The Committee had before it a letter dated 7 June 1995 from the President of the General Assembly concerning a request by Iraq, under Article 19 of the Charter of the United Nations, on the subject of its arrears.

63. In a letter dated 28 October 1994 from the Permanent Representative of Iraq to the President of the General Assembly, Iraq set forth the reasons beyond its control that prevented it from payment of its arrears, thus incurring the loss of vote under Article 19 of the Charter.

64. In its letter to the President of the General Assembly and in subsequent oral and written representations to the Committee on Contributions, Iraq stated its view and stressed that its inability to pay resulted from the comprehensive embargo imposed by Security Council resolutions, which had deprived Iraq of its financial resources. It also cited its attempts to pay its contributions in

local currency, which had been rejected by the United Nations on the grounds that the Iraqi dinar did not represent freely transferable funds and that the Economic and Social Commission for Western Asia (ESCWA) had moved from Baghdad to Amman, thereby minimizing the need for Iraqi dinars. Iraq stated that its ability to pay in hard currency was also limited as its assets were frozen under Security Council resolutions and attempts to secure release of part of its assets to pay its outstanding contributions to the Organization had so far been unsuccessful.

65. Iraq also considered that, under the new scale of assessments for the period 1995 to 1997, the increase in Iraq's rate of assessment was unreasonable and did not take into account its actual economic situation since the embargo.

66. The Committee had divergent views on Iraq's request for a waiver of Article 19 of the Charter on the grounds that its failure to pay its assessed contributions was due to conditions beyond its control. Some members were of the opinion that the Committee should recommend to the General Assembly the waiver of Article 19 of the Charter for Iraq as they were of the view that the actual situation in the country prevented it from paying its assessed contributions to the United Nations. Other members were of the view that the Committee did not have adequate statistical information on the current economic and financial situation of Iraq and were therefore unable to support Iraq's request for a waiver of Article 19 of the Charter. Yet other members expressed the view that they were not in a position to judge the merits of Iraq's case. A few members also thought that the issue involved political questions outside the mandate of the Committee. The Committee decided to inform the President of the General Assembly accordingly.

67. With regard to Iraq's rate of assessment, the Committee noted that in setting the scale of assessments for the period 1995 to 1997, Iraq had benefited from the mitigation procedure and that the fluctuations in Iraq's domestic prices had been addressed by using the PARE rate instead of the MER rate of exchange, and that any changes to its rate would have to be considered in the context of the next scale.

C. Other matters

1. Collection of contributions

68. The Committee took note of the report of the Secretary-General which indicated that, at the conclusion of the current session, the following 18 Members were in arrears in the payment of their assessed contributions to the expenses of the United Nations under the terms of Article 19 of the Charter: Burundi, Central African Republic, Chad, Comoros, Dominican Republic, Equatorial Guinea, Gambia, Guatemala, Guinea-Bissau, Iraq, Liberia, Mali, Mauritania, Niger, Sao Tome and Principe, Sierra Leone, Somalia and Yugoslavia. In that regard, the Committee reaffirmed its previous decision to authorize its Chairman to issue an addendum to the present report, if necessary.

2. Payment of contributions in currencies other than United States dollars

69. Under the provisions of paragraph 2 (e) of its resolution 46/221 A, the General Assembly empowered the Secretary-General to accept, at his discretion and after consultation with the Chairman of the Committee on Contributions, a

portion of the contributions of Member States for the calendar years 1992, 1993 and 1994 in currencies other than United States dollars.

70. The Committee took note of a report of the Secretary-General, which stated that nine Member States had availed themselves of the opportunity of paying the equivalent of $4.8 million in nine non-United States dollar currencies acceptable to the Organization in 1994.

3. Date of next session

71. The Committee decided to hold its fifty-sixth session in New York from 10 to 28 June 1996.

Annex III

REVIEW OF THE USE AND APPLICATION OF CONVERSION RATES IN THE FORMULATION OF THE SCALE OF ASSESSMENTS*

Note by the Statistical Division

I. INTRODUCTION

1. The Committee on Contributions, in paragraph 50 of its report (A/49/11), 1/ requested the Secretariat to prepare a comprehensive critical study on the subject of exchange rates and their effect on the scale of assessments. This request reflects the continuing concerns expressed in the Committee on the absence of well-defined and uniform criteria for conversion factors that would translate national income data expressed in national currencies into a common unit for purposes of international comparability. The absence of such criteria is all the more serious given the significant effects of conversion rates on the formulation of the scale of assessments.

2. The present study provides a range of historical perspectives on exchange rate applications, from past discussions and practices in the Committee up to the most recent decisions it has adopted. It presents a brief summary of the principal types of conversion rates examined by the Committee, the availability of each rate by number of countries and period of years, and, in the annex, provides, as background information, a chronological summary of documents presented on the subject at previous Committee sessions.

3. The Ad Hoc Intergovernmental Working Group on the Implementation of the Principle of Capacity to Pay, at its substantive session from 18 April to 5 May 1995, echoed prevailing concerns in the Committee. In paragraph 78 of its report (A/49/897), the Working Group stated that "the choice of exchange rate for converting national income figures to a common currency is a crucial element in the calculation of the scale of assessments. Fluctuations and distortions in exchange rates can be a much greater source of variation and of error than income data." In this regard, the Working Group studied and thoroughly examined the Committee's present practices and considerations on the usefulness of alternative conversion factors such as purchasing power parity-based exchange rates (PPPs) and price-adjusted rates of exchange (PAREs).

4. The Working Group recognized that there were practical constraints in the exclusive application of market exchange rates (MERs) for conversion purposes, particularly for countries that had multiple exchange rates, were plagued by high inflation or were experiencing misalignments caused by sharp short- and medium-term market fluctuations that failed to "reflect underlying economic potential or capacity to pay" (ibid., para. 86). At the same time, it noted the absence of a viable alternative, given the present limitations in the availability of PPP data and unease over critical technical aspects of PARE adjustments, notably the choice of the base period. On this basis, the Working Group was convinced that the use of MERs "remained the least unsatisfactory approach" (ibid., para. 87) and considered it, in principle, to be currently the most practical and appropriate means of converting national currency data into a

* Previously issued as document A/CN.2/R.588.

common unit. However, the Working Group also suggested that, should PPP data availability improve, it could be used as a practical analytical tool in identifying anomalous and improbable MER conversions, a sort of controlling mechanism to avoid serious distortions in the use of MERs for specific countries and years. To support this, it pointed to what "appeared to be a strong correlation (and a strong rank correlation) between per capita income figures estimated on the basis of PPP and on the basis of MER" (ibid., para. 97).

5. What emerges clearly from past discussions in the Committee and is also clearly reflected in the Working Group's report is that, by itself, not one of the exchange rates so far under study provides a means of conversion that would effectively reduce major distortions in the income levels of specific countries when expressed in United States dollars. Neither MERs, whichever form of PARE nor PPPs have been found to yield satisfactory levels of converted dollar income for all countries and years studied by the Committee. The task of finding a uniform set of exchange rates for the entire membership, as called for in General Assembly resolution 48/223 B, has proven to be onerous and, to be able to respond adequately, the Committee may be required to depart from the more conventional approaches in addressing this issue.

6. To this end, it is important to take as a point of departure the recommendation of the Working Group to use MER as the central conversion rate that could be applied effectively for the majority of countries. What remains to be decided is the establishment of clear criteria for other conversion rates or combinations of rates that would supplement MER on the basis of specific country needs for selected years. In response to this approach, the Statistical Division suggests that, in future Committee deliberations, it could consolidate the use of PARE and PPP to determine distortions in the use of MER. PARE could be used for extrapolating PPP rates over time where no direct information on PPP is available, as is done at present. The Committee could gain from and be guided by past experience (see annex). In this way, it would avoid a drawn-out discussion of issues that have already been deliberated on and dissected in past sessions, while focusing instead on establishing principal sets of criteria.

II. TYPES OF CONVERSION RATES

7. Already by the 1970s, the Committee on Contributions was concerned about the distorting effects of MERs rates on the national income dollar levels of some countries where domestic inflation was not adequately reflected in movements in exchange rates. This resulted in either an under- or overvaluation in their assessable incomes, which, if left uncorrected, would have produced anomalous assessments. For such countries, a "pseudo" rate of exchange was either applied for conversion purposes or used in mitigating large increases or decreases in assessments. This rate was obtained by adjusting a selected year's exchange rate, believed to reflect a reasonable approximation to the purchasing power ratio of the particular country and a comparator country (United States) by the ratio of relative price changes between the two countries since the base year.

8. Although this method served its purpose, particularly during the mitigation phase, the Committee remained unsatisfied with the ad hoc nature of the exercise as the issue gained in complexity, and has been trying ever since to devise a more systematic application to ease the burden of countries affected by differential price changes in the use of MERs. Thus the current methodology of PAREs evolved. At the same time, interest was generated in the applicability of alternative rates for conversion, such as PPPs and the World Bank Atlas rates.

9. The Committee, in its past deliberations, has examined basically four types of conversion rates, namely: International Monetary Fund (IMF) MERs; PAREs developed by the Statistical Division; PPP estimates extracted from the Penn World Tables data bank developed by the University of Pennsylvania; and the World Bank Atlas conversion rates.

A. Market exchange rates

10. The most frequently used conversion factor to translate economic aggregates in national currencies into a common unit of account, MERs are annual average rates communicated to IMF by the monetary authority of each member country and agreed to by the Fund. The IMF market rate refers to the principal exchange rate used for the majority of current transactions. These rates are: (a) determined by the market for countries with convertible currencies; (b) pegged or fixed in relation to a major currency such as the United States dollar for some countries in Central America, the French franc in French-speaking African countries or the pound sterling for many members of the Commonwealth; or (c) fixed by government decree or directed by some form of government control largely depending on movements of market forces in parallel markets. For some countries, such as the countries in transition where IMF market rates are not completely available, use is made of the averages of United Nations operational rates of exchange. These are rates established primarily for accounting purposes that are applied to all official transactions between the United Nations and those countries, including payments of local salaries and wages, subsistence allowance, pension payments, etc. The operational rates are generally based on existing exchange rates such as official, commercial or tourist rates of exchange.

11. At its fifty-fourth session, the Committee also decided on the use of so-called blended rates constructed by IMF in the case of the 15 States of the former Union of Soviet Socialist Republics during the pre-independence years when no separate exchange rates were available. Basically used by IMF for its quota calculations, the blended rates are derived as averages of different exchange rates weighted by the amount of foreign currency transactions that were carried out with each type of exchange rate. Because the blended rates are defined as weighted averages of actual exchange rates, they are, according to IMF, considered the closest approximation to IMF-type market rates for these countries since they reflect actual market conditions even when multiple exchange rates were in effect and many transactions were carried out in the form of barter transactions. In this view, they may be more appropriate for conversion purposes than the United Nations operational rates, which are generally applicable to more limited forms of transaction.

B. Price-adjusted rates of exchange

12. PARE was developed by the Statistical Division with the original intention of applying it, on an ad hoc basis, to adjust the rates of countries beset by severe inflation and changes in domestic prices that cause significant divergence from the normal MER movements. It therefore seeks to eliminate the distorting effects of uneven price changes between countries that often resulted in unreasonable levels of per capita income in United States dollars. This was the case for countries that had fixed exchange rates and whose economies were characterized by inordinate inflation and for still others that experienced volatile movements of exchange rates, which often changed much more than

internal prices over time, as a result of capital flight and speculation as well as other effects of international capital markets.

13. PARE rates are derived for each year by extrapolating the exchange rate for a selected base year or base period with the movements of domestic prices measured by the gross domestic product (GDP) implicit price deflator. The base year exchange rate or base period average exchange rate plays a pivotal role in PARE calculations, since it is assumed to represent the closest approximation of price relatives of goods and services between the countries being compared.

C. Purchasing power parities

14. PPP coefficients are derived from price relatives of common baskets of goods and services expressed in the currencies of each of the participating countries. The average PPPs applied to GDP are obtained as weighted averages of the price relatives of individual baskets of goods and services, with total expenditures on those goods and services in GDP used as weights. PPPs are not derived from actual exchange rates, but are obtained as independent measures based on information from price surveys covering prices of a detailed basket of goods and services and reflect purchasing power parity in the given year. The results of PPP calculations therefore provide estimates of GDP measured in "international dollars" as distinguished from United States dollar levels that have been obtained from the conventional exchange rate methods. PPPs represent currency conversion rates that eliminate differences in price levels between countries. Thus, GDP converted by means of PPP is expressed at the same set of international prices and so comparisons between countries reflect only the differences in the volume of goods and services.

15. The International Comparison Project (ICP) of the United Nations has obtained direct benchmark estimates of PPP conversion rates for a sample of countries during the following benchmark years: 1970 (16 countries), 1975 (34 countries), 1980 (60 countries), 1985 (64 countries) and 1990 (30 countries). Because the number of direct estimates of PPP is limited in terms of countries and years, the Penn World Tables data bank has supplemented ICP results published by the United Nations with information based on less comprehensive price and expenditure data so as to make it possible to extend comparative results from countries with direct PPP measurements to a large number of non-participating countries. In the Penn World Tables, extensions to non-benchmark years were prepared by annual intertemporal interpolations for approximately 150 countries on the basis of price indices of GDP components of individual countries relative to the corresponding price indices for the United States. For the Committee’s purposes, further temporal extensions in the PPP series are estimated using PARE-type extrapolations so that PPP movement over time reflects changes in prices in the countries compared.

D. World Bank Atlas conversion rates

16. World Bank Atlas rates are based on a moving average of three types of conversion rates, each linked to a specific base year. For any year, the World Bank Atlas rate is calculated as a simple average of the exchange rate of the present year, a PARE rate for the present year using the previous year as base year and a PARE rate for the present year using the exchange rate two years earlier as a base. The method assumes that exchange rates adjust themselves to price movements within a period of three years. For some countries where the basic conversion methodology does not adjust adequately to shifts in economic

conditions, the World Bank Atlas rates are adjusted using three types of variants: (a) fiscal year conversion factors, by which conversion rates are adjusted according to differences in fiscal year compilations; (b) trade-weighted conversion factors for countries with multiple exchange rates; and (c) estimated conversion factors for countries whose exchange rates produce highly improbable and unrealistic United States dollar conversions.

III. AVAILABILITY OF INFORMATION

17. Table 1 presents a summary of the availability of alternative conversion rates for the period 1985-1992, the average statistical base period used in formulating the present scale of assessments for 1995-1997; table 2 summarizes the actual conversion rates used by the Committee for specific countries and years; and table 3 identifies some cases where levels of per capita income, when converted to United States dollars for certain years during the period 1985-1993, show marked distortions as a result of the strict application of MERs.

Table 1. Data availability of alternative conversion rates for the period 1985-1992

	MER	PARE	PPP a/	World Bank Atlas	IMF blended rates	United Nations operational rates
All years	156	184	94	148		184
Missing one year	5		11	3		
Missing two years	3		19	19	15	
Missing three years			32	1		
Missing more than three years			12	2		
No data	20		16	11	169	
Total	184	184	184	184	184	184

a/ Based on Penn World Tables estimates.

18. As illustrated in table 1, MERs are obtainable for a majority of Member States of the United Nations. However, during the Committee's review of the subject in 1994, the rates for the States of the former USSR were supplemented either by blended rates or PARE rates for some or all years of the statistical base period because the application of MERs produced unacceptable levels of per capita income. Additionally, for some countries for which MERs were not available or for which there is only an incomplete series, United Nations operational rates were substituted.

Table 2. Conversion rates used by the Committee on Contributions in the formulation of the 1995-1997 scale of assessments other than IMF market exchange rates

1.	United Nations operational rates	
	Albania	1990-1992
	Angola	1985-1992
	Brunei Darussalam	1992
	Haiti	1991-1993
	Mongolia	1985-1992
	Somalia	1990-1992
2.	(a) IMF blended and similarly constructed rates	
	Armenia, Azerbaijan, Belarus, Estonia, Georgia, Kazakstan, Kyrgyzstan, Latvia, Lithuania, Republic of Moldova, Russian Federation, Tajikistan, Turkmenistan, Ukraine, Uzbekistan	1985-1990
	(b) Extrapolated rate based on PARE	
	Armenia, Azerbaijan, Belarus, Estonia, Georgia, Kazakstan, Kyrgyzstan, Latvia, Lithuania, Republic of Moldova, Russian Federation, Tajikistan, Turkmenistan, Ukraine, Uzbekistan	1991-1992
3.	PARE rates	
	Afghanistan, Bosnia and Herzegovina, Croatia, Federal Republic of Yugoslavia (Serbia and Montenegro), Iraq, Myanmar, Peru, Slovenia, the former Yugoslav Republic of Macedonia	1985-1992
4.	Exchange rates with premium	
	Bulgaria	1985-1989
5.	Exchange rate used in IMF quota calculations a/	
	Bulgaria	1990
6.	Rate provided by Government	
	Cuba b/	1985-1992
7.	Rate provided by Government and confirmed by IMF	
	Iran (Islamic Republic of)	1985-1992

a/ 6.60 leva to the dollar.

b/ 1 peso to the dollar.

Table 3. Distortions in per capita income levels from strict application of MER

	1985	1986	1987	1988	1989	1990	1991	1992	1993
Honduras	765	771	815	879	944	1 079	505	521	490
Iran (Islamic Republic of)	3 075	3 462	4 302	4 882	5 485	7 288	9 675	12 920	908
Iraq	2 864	2 650	3 057	3 327	3 386	3 640	3 009	8 181	16 294
Nicaragua	1 237	1 837	942	275	226	373	56	58	-
Sudan	220	281	337	325	491	759	1 054	134	97
Viet Nam	524	324	349	305	86	89	99	117	-

19. Table 1 further bears out what the Working Group's report cites as one of the main restrictions in the use of PPPs (and World Bank Atlas rates), i.e. the limited coverage available in terms not only of participating countries and those for which estimates could be constructed but, as well, of the comprehensiveness of the number of years entailed in the calculation of the scale. In contrast, the principal attraction with the use of PARE is the comprehensive availability of data, owing to the fact that these rates can be derived through calculation.

20. In conclusion, the Committee may consider identifying the specific countries and years for which distortions occur and eventually decide how to "correct" the use of the MERs in these and similar cases by the application of alternative individual exchange rates or combinations thereof on the basis of the Working Group's recommendations.

Notes

1/ Official Records of the General Assembly, Forty-ninth Session, Supplement No. 11 (A/49/11), para. 50.

Annex IV

COMPARISON OF THE 1997 ADOPTED SCALE TO SHARE OF WORLD INCOME

(Based on national income data average for seven and eight years, average of 1986-1992 and 1985-1992)

	Member State	Population (thousands)	Share of world population (percentage)	Per capital income	Ratio of per capita income to world per capital income	National income (million United States dollars)	Share of world income NI/WNI (percentage) a/	Adopted scale 1997	Ratio of adopted scale to income share Col. 7/ Col. 6	Percentage surtax or percentage reduction (col. 8-1) x 100
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1	Sao Tome and Principe	115	0.002	384	12.34	44	0.0003	0.01	36.69	3 569
2	Marshall Islands	44	0.001	1 319	42.39	57	0.0004	0.01	28.29	2 729
3	Samoa	158	0.003	607	19.51	96	0.0006	0.01	16.95	1 595
4	Saint Kitts and Nevis	42	0.001	2 386	76.69	100	0.0006	0.01	16.20	1 520
5	Maldives	206	0.004	493	15.83	101	0.0006	0.01	16.03	1 503
6	Equatorial Guinea	344	0.007	395	12.70	136	0.0008	0.01	11.96	1 096
7	Vanuatu	145	0.003	986	31.71	143	0.0009	0.01	11.33	1 033
8	Dominica	72	0.001	1 986	63.85	144	0.0009	0.01	11.31	1 031
9	Saint Vincent and the Grenadines	106	0.002	1 394	44.81	147	0.0009	0.01	11.01	1 001
10	Solomon Islands	307	0.006	483	15.52	148	0.0009	0.01	10.94	994
11	Grenada	91	0.002	1 835	59.00	167	0.0010	0.01	9.74	874
12	Micronesia	98	0.002	1 735	55.76	170	0.0011	0.01	9.52	852
13	Guinea-Bissau	939	0.018	210	6.75	197	0.0012	0.01	8.23	723
14	Comoros	519	0.010	387	12.45	201	0.0012	0.01	8.07	707
15	Saint Lucia	131	0.003	1 588	51.04	207	0.0013	0.01	7.83	683
16	Bhutan	1 497	0.029	139	4.48	209	0.0013	0.01	7.77	677
17	Guyana	793	0.015	288	9.26	228	0.0014	0.01	7.10	610
18	Gambia	831	0.016	284	9.13	236	0.0015	0.01	6.88	588
19	Seychelles	70	0.001	3 834	123.25	267	0.0016	0.01	6.07	507
20	Cape Verde	352	0.007	770	24.76	271	0.0017	0.01	5.98	498
21	San Marino	23	0.000	13 614	437.60	313	0.0019	0.01	5.18	418
22	Belize	184	0.004	1 708	54.90	314	0.0019	0.01	5.17	417
23	Antigua and Barbuda	65	0.001	4 904	157.64	318	0.0020	0.01	5.11	411
24	Eritrea	3 008	0.058	108	3.48	325	0.0020	0.01	4.99	399
25	Monaco	27	0.001	15 725	505.46	425	0.0026	0.01	3.82	282
26	Djibouti	424	0.008	1 080	34.71	458	0.0028	0.01	3.54	254
27	Swaziland	728	0.014	646	20.76	470	0.0029	0.01	3.45	245
28	Andorra	47	0.001	10 472	336.61	492	0.0030	0.01	3.30	230

	Member State	Population (thousands)	Share of world population (percentage)	Per capital income	Ratio of per capita income to world per capital income	National income (million United States dollars)	Share of world income NI/WNI (percentage) a/	Adopted scale 1997	Ratio of adopted scale to income share Col. 7/ Col. 6	Percentage surtax or percentage reduction (col. 8-1) x 100
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
29	Cambodia	8 077	0.156	84	2.69	675	0.0042	0.01	2.40	140
30	Liechtenstein	28	0.001	27 269	876.52	764	0.0047	0.01	2.13	113
31	Liberia	2 474	0.048	333	10.70	823	0.0051	0.01	1.97	97
32	Sierra Leone	4 020	0.078	208	6.70	838	0.0052	0.01	1.94	94
33	Lesotho	1 694	0.033	499	16.04	845	0.0052	0.01	1.92	92
34	Georgia	5 429	0.105	1 779	57.19	9 659	0.0595	0.11	1.85	85
35	Lithuania	3 703	0.072	1 935	62.21	7 167	0.0442	0.08	1.81	81
36	Mauritania	1 956	0.038	464	14.91	907	0.0056	0.01	1.79	79
37	Republic of Moldova	4 342	0.084	1 682	54.08	7 305	0.0450	0.08	1.78	78
38	Latvia	2 677	0.052	2 749	88.38	7 360	0.0453	0.08	1.76	76
39	Russian Federation	147 522	2.858	2 665	85.66	393 116	2.4220	4.27	1.76	76
40	Belarus	10 214	0.198	2 524	81.14	25 781	0.1588	0.28	1.76	76
41	Azerbaijan	7 058	0.137	1 437	46.20	10 145	0.0625	0.11	1.76	76
42	Ukraine	51 700	1.002	2 020	64.94	104 446	0.6435	1.09	1.69	69
43	Armenia	3 475	0.067	1 438	46.22	4 997	0.0308	0.05	1.62	62
44	Chad	5 403	0.105	186	5.98	1 006	0.0062	0.01	1.61	61
45	Somalia	8 441	0.164	124	3.99	1 047	0.0065	0.01	1.55	55
46	Estonia	1 576	0.031	2 668	85.77	4 205	0.0259	0.04	1.54	54
47	Lao People’s Democratic Republic	4 038	0.078	261	8.40	1 055	0.0065	0.01	1.54	54
48	Czech Republic	10 361	0.201	2 559	82.24	26 508	0.1633	0.25	1.53	53
49	Saudi Arabia	14 255	0.276	5 400	173.58	76 963	0.4742	0.71	1.50	50
50	Burundi	5 295	0.103	205	6.58	1 084	0.0067	0.01	1.50	50
51	Fiji	720	0.014	1 565	50.31	1 127	0.0069	0.01	1.44	44
52	Bahamas	250	0.005	9 066	291.42	2 264	0.0140	0.02	1.43	43
53	Qatar	412	0.008	11 440	367.71	4 716	0.0291	0.04	1.38	38
54	Kuwait	2 112	0.041	10 862	349.16	22 940	0.1413	0.19	1.34	34
55	Central African Republic	2 910	0.056	425	13.66	1 237	0.0076	0.01	1.31	31
56	Togo	3 396	0.066	367	11.81	1 248	0.0077	0.01	1.30	30
57	Libyan Arab Jamahiriya	4 349	0.084	5 747	184.72	24 990	0.1540	0.20	1.30	30
58	United Arab Emirates	1 535	0.030	15 719	505.27	24 124	0.1486	0.19	1.28	28
59	Cyprus	693	0.013	5 515	177.28	3 824	0.0236	0.03	1.27	27
60	Slovenia	1 947	0.038	4 612	148.24	8 978	0.0553	0.07	1.27	27
61	Sweden	8 507	0.165	19 282	619.79	164 028	1.0106	1.23	1.22	22

	Member State	Population (thousands) (1)	Share of world population (percentage) (2)	Per capital income (3)	Ratio of per capita income to world per capital income (4)	National income (million United States dollars) (5)	Share of world income NI/WNI (percentage) a/ (6)	Adopted scale 1997 (7)	Ratio of adopted scale to income share Col. 7/ Col. 6 (8)	Percentage surtax or percentage reduction (col. 8-1) x 100 (9)
62	Denmark	5 132	0.099	18 783	603.77	96 393	0.5939	0.72	1.21	21
63	Austria	7 668	0.149	15 205	488.74	116 598	0.7184	0.87	1.21	21
64	United Kingdom of Great Britain and Northern Ireland	57 205	1.108	12 495	401.64	714 794	4.4039	5.32	1.21	21
65	Belgium	9 940	0.193	13 654	438.91	135 724	0.8362	1.01	1.21	21
66	Canada	26 230	0.508	15 963	513.12	418 736	2.5799	3.11	1.21	21
67	Finland	4 965	0.096	16 832	541.06	83 566	0.5149	0.62	1.20	20
68	Germany	78 938	1.529	15 479	497.57	1 221 968	7.5287	9.06	1.20	20
69	Netherlands	14 818	0.287	14 473	465.21	214 460	1.3213	1.59	1.20	20
70	Australia	16 751	0.324	11 929	383.44	199 833	1.2312	1.48	1.20	20
71	Greece	10 081	0.195	5 094	163.76	51 359	0.3164	0.38	1.20	20
72	Norway	4 221	0.082	17 940	576.67	75 728	0.4666	0.56	1.20	20
73	Luxembourg	371	0.007	25 598	822.83	9 491	0.0585	0.07	1.20	20
74	France	56 358	1.092	15 464	497.08	871 567	5.3699	6.42	1.20	20
75	Croatia	4 684	0.091	2 611	83.94	12 231	0.0754	0.09	1.19	19
76	Bahrain	485	0.009	5 665	182.11	2 745	0.0169	0.02	1.18	18
77	New Zealand	3 355	0.065	9 831	316.01	32 983	0.2032	0.24	1.18	18
78	Trinidad and Tobago	1 218	0.024	3 387	108.87	4 126	0.0254	0.03	1.18	18
79	Ireland	3 521	0.068	8 283	266.26	29 165	0.1797	0.21	1.17	17
80	Kazakstan	16 586	0.321	1 600	51.44	26 540	0.1635	0.19	1.16	16
81	Slovakia	5 270	0.102	2 154	69.23	11 350	0.0699	0.08	1.14	14
82	Suriname	411	0.008	3 454	111.02	1 420	0.0088	0.01	1.14	14
83	Spain	38 862	0.753	8 828	283.76	343 072	2.1137	2.38	1.13	13
84	Malawi	9 016	0.175	160	5.15	1 443	0.0089	0.01	1.12	12
85	Venezuela	18 780	0.364	2 572	82.68	48 302	0.2976	0.33	1.11	11
86	Israel	4 484	0.087	8 847	284.39	39 676	0.2445	0.27	1.10	10
87	Brunei Darussalam	250	0.005	11 846	380.77	2 955	0.0182	0.02	1.10	10
88	Italy	57 557	1.115	13 663	439.18	786 412	4.8452	5.25	1.08	8
89	Barbados	256	0.005	5 859	188.33	1 498	0.0092	0.01	1.08	8
90	Turkmenistan	3 557	0.069	1 279	41.12	4 550	0.0280	0.03	1.07	7
91	Japan	122 927	2.381	19 509	627.09	2 398 230	14.7758	15.65	1.06	6
92	Iceland	251	0.005	18 577	597.15	4 668	0.0288	0.03	1.04	4
93	Uzbekistan	20 020	0.388	1 013	32.55	20 273	0.1249	0.13	1.04	4

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		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
94	Iran (Islamic Republic of)	56 054	1.086	1 256	40.38	70 418	0.4339	0.45	1.04	4
95	Mozambique	13 965	0.271	114	3.68	1 596	0.0098	0.01	1.02	2
96	Benin	4 450	0.086	367	11.79	1 633	0.0101	0.01	0.99	-1
97	Kyrgyzstan	4 312	0.084	1 149	36.92	4 953	0.0305	0.03	0.98	-2
98	Congo	2 147	0.042	771	24.79	1 656	0.0102	0.01	0.98	-2
99	Portugal	9 878	0.191	4 798	154.24	47 396	0.2920	0.28	0.96	-4
100	Oman	1 457	0.028	4 690	150.74	6 834	0.0421	0.04	0.95	-5
101	Namibia	1 384	0.027	1 240	39.85	1 716	0.0106	0.01	0.95	-5
102	United States of America	246 935	4.784	17 959	577.29	4 434 917	27.3242	25.00	0.91	-9
103	Burkina Faso	8 693	0.168	206	6.63	1 794	0.0111	0.01	0.90	-10
104	Bulgaria	8 997	0.174	1 598	51.37	14 376	0.0886	0.08	0.90	-10
105	Singapore	2 672	0.052	9 605	308.74	25 661	0.1581	0.14	0.89	-11
106	Hungary	10 578	0.205	2 444	78.57	25 855	0.1593	0.14	0.88	-12
107	Rwanda	6 736	0.130	277	8.92	1 868	0.0115	0.01	0.87	-13
108	Argentina	31 831	0.617	2 904	93.36	92 453	0.5696	0.48	0.84	-16
109	Albania	3 189	0.062	604	19.42	1 926	0.0119	0.01	0.84	-16
110	Niger	7 433	0.144	262	8.41	1 945	0.0120	0.01	0.83	-17
111	Haiti	6 323	0.122	310	9.97	1 961	0.0121	0.01	0.83	-17
112	Uruguay	3 073	0.060	2 556	82.15	7 853	0.0484	0.04	0.83	-17
113	Malta	352	0.007	5 666	182.13	1 992	0.0123	0.01	0.81	-19
114	Mali	8 864	0.172	231	7.43	2 049	0.0126	0.01	0.79	-21
115	Mauritius	1 061	0.021	1 932	62.09	2 050	0.0126	0.01	0.79	-21
116	Yugoslavia	10 456	0.203	1 986	63.85	20 770	0.1280	0.10	0.78	-22
117	Zambia	7 818	0.151	267	8.59	2 090	0.0129	0.01	0.78	-22
118	Poland	37 992	0.736	1 826	58.69	69 366	0.4274	0.33	0.77	-23
119	Brazil	145 775	2.824	2 401	77.17	349 994	2.1564	1.62	0.75	-25
120	Republic of Korea	42 792	0.829	4 156	133.60	177 873	1.0959	0.82	0.75	-25
121	Botswana	1 195	0.023	1 872	60.18	2 237	0.0138	0.01	0.73	-27
122	South Africa	36 835	0.714	1 951	62.72	71 883	0.4429	0.32	0.72	-28
123	Nicaragua	3 541	0.069	638	20.52	2 260	0.0139	0.01	0.72	-28
124	Mongolia	2 117	0.041	1 088	34.97	2 303	0.0142	0.01	0.70	-30
125	Mexico	82 229	1.593	2 233	71.78	183 636	1.1314	0.79	0.70	-30
126	Tajikistan	5 143	0.100	943	30.33	4 852	0.0299	0.02	0.67	-33

	Member State	Population (thousands)	Share of world population (percentage)	Per capital income	Ratio of per capita income to world per capital income	National income (million United States dollars)	Share of world income NI/WNI (percentage) a/	Adopted scale 1997	Ratio of adopted scale to income share Col. 7/ Col. 6	Percentage surtax or percentage reduction (col. 8-1) x 100
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
127	Guinea	5 544	0.107	442	14.22	2 452	0.0151	0.01	0.66	-34
128	Malaysia	17 327	0.336	2 031	65.30	35 199	0.2169	0.14	0.65	-35
129	Jamaica	2 394	0.046	1 086	34.89	2 599	0.0160	0.01	0.62	-38
130	Romania	23 102	0.448	1 689	54.28	39 009	0.2403	0.15	0.62	-38
131	Madagascar	11 535	0.223	236	7.58	2 721	0.0168	0.01	0.60	-40
132	Nigeria	104 211	2.019	296	9.52	30 847	0.1901	0.11	0.58	-42
133	Iraq	17 354	0.336	2 275	73.13	39 475	0.2432	0.14	0.58	-42
134	Turkey	54 567	1.057	1 986	63.85	108 408	0.6679	0.38	0.57	-43
135	Chile	12 907	0.250	1 788	57.47	23 078	0.1422	0.08	0.56	-44
136	Papua New Guinea	3 767	0.073	778	25.01	2 931	0.0181	0.01	0.55	-45
137	Nepal	18 952	0.367	155	4.97	2 933	0.0181	0.01	0.55	-45
138	Algeria	24 138	0.468	1 960	62.99	47 296	0.2914	0.16	0.55	-45
139	Cuba	10 474	0.203	1 436	46.14	15 035	0.0926	0.05	0.54	-46
140	The Former Yugoslav Republic of Macedonia	2 015	0.039	1 493	47.98	3 008	0.0185	0.01	0.54	-46
141	Gabon	1 113	0.022	2 733	87.85	3 042	0.0187	0.01	0.53	-47
142	United Republic of Tanzania	24 902	0.482	131	4.21	3 260	0.0201	0.01	0.50	-50
143	Tunisia	7 856	0.152	1 265	40.65	9 935	0.0612	0.03	0.49	-51
144	Lebanon	2 704	0.052	1 227	39.44	3 318	0.0204	0.01	0.49	-51
145	Zaire	35 886	0.695	93	3.00	3 350	0.0206	0.01	0.48	-52
146	Colombia	31 601	0.612	1 075	34.54	33 961	0.2092	0.10	0.48	-52
147	Uganda	16 886	0.327	203	6.51	3 420	0.0211	0.01	0.47	-53
148	Honduras	4 944	0.096	757	24.33	3 743	0.0231	0.01	0.43	-57
149	Democratic People's Republic of Korea	21 271	0.412	897	28.84	19 087	0.1176	0.05	0.43	-57
150	Afghanistan	15 546	0.301	262	8.42	4 070	0.0251	0.01	0.40	-60
151	Peru	21 006	0.407	1 190	38.24	24 989	0.1540	0.06	0.39	-61
152	Guatemala	8 872	0.172	955	30.70	8 471	0.0522	0.02	0.38	-62
153	Ecuador	10 234	0.198	832	26.75	8 513	0.0525	0.02	0.38	-62
154	Senegal	7 079	0.137	604	19.43	4 280	0.0264	0.01	0.38	-62
155	Jordan	3 847	0.075	1 160	37.29	4 462	0.0275	0.01	0.36	-64
156	Panama	2 358	0.046	1 944	62.49	4 584	0.0282	0.01	0.35	-65
157	Paraguay	4 128	0.080	1 124	36.14	4 640	0.0286	0.01	0.35	-65

	Member State	Population (thousands)	Share of world population (percentage)	Per capital income	Ratio of per capita income to world per capital income	National income (million United States dollars)	Share of world income NI/WNI (percentage) a/	Adopted scale 1997	Ratio of adopted scale to income share Col. 7/ Col. 6	Percentage surtax or percentage reduction (col. 8-1) x 100
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
158	Costa Rica	2 935	0.057	1 601	51.47	4 701	0.0290	0.01	0.35	-65
159	Syrian Arab Republic	11 817	0.229	2 045	65.74	24 169	0.1489	0.05	0.34	-66
160	Ethiopia	44 959	0.871	108	3.48	4 868	0.0300	0.01	0.33	-67
161	Thailand	53 819	1.043	1 202	38.64	64 701	0.3986	0.13	0.33	-67
162	Bolivia	6 958	0.135	723	23.25	5 032	0.0310	0.01	0.32	-68
163	El Salvador	5 044	0.098	1 007	32.37	5 078	0.0313	0.01	0.32	-68
164	Ghana	14 463	0.280	367	11.79	5 305	0.0327	0.01	0.31	-69
165	Zimbabwe	9 543	0.185	579	18.61	5 525	0.0340	0.01	0.29	-71
166	Dominican Republic	6 981	0.135	803	25.81	5 606	0.0345	0.01	0.29	-71
167	Philippines	60 685	1.176	605	19.45	36 727	0.2263	0.06	0.27	-73
168	China	1 132 175	21.932	401	12.88	453 628	2.7949	0.74	0.26	-74
169	Bosnia and Herzegovina	4 472	0.087	1 383	44.46	6 184	0.0381	0.01	0.26	-74
170	Angola	8 836	0.171	711	22.84	6 278	0.0387	0.01	0.26	-74
171	Indonesia	180 004	3.487	489	15.71	87 968	0.5420	0.14	0.26	-74
172	Egypt	50 932	0.987	996	32.01	50 718	0.3125	0.08	0.26	-74
173	Yemen	11 174	0.216	592	19.02	6 613	0.0407	0.01	0.25	-75
174	Pakistan	113 790	2.204	352	11.32	40 071	0.2469	0.06	0.24	-76
175	Sri Lanka	16 945	0.328	409	13.16	6 938	0.0427	0.01	0.23	-77
176	Morocco	24 282	0.470	891	28.65	21 646	0.1334	0.03	0.22	-78
177	India	825 938	16.000	278	8.94	229 845	1.4161	0.31	0.22	-78
178	Kenya	22 607	0.438	337	10.83	7 615	0.0469	0.01	0.21	-79
179	Myanmar	40 708	0.789	188	6.03	7 634	0.0470	0.01	0.21	-79
180	Côte d’Ivoire	11 436	0.222	785	25.23	8 979	0.0553	0.01	0.18	-82
181	Cameroon	11 117	0.215	1 040	33.41	11 558	0.0712	0.01	0.14	-86
182	Viet Nam	64 955	1.258	197	6.33	12 776	0.0787	0.01	0.13	-87
183	Sudan	24 331	0.471	571	18.36	13 899	0.0856	0.01	0.12	-88
184	Bangladesh	110 368	2.138	181	5.82	19 993	0.1232	0.01	0.08	-92
	World	5 162 152	100.000	3 111		16 230 753	100.0000	100.00		

a/ The figures in column 6 have been rounded to four decimal place.