

## APPENDIX 2

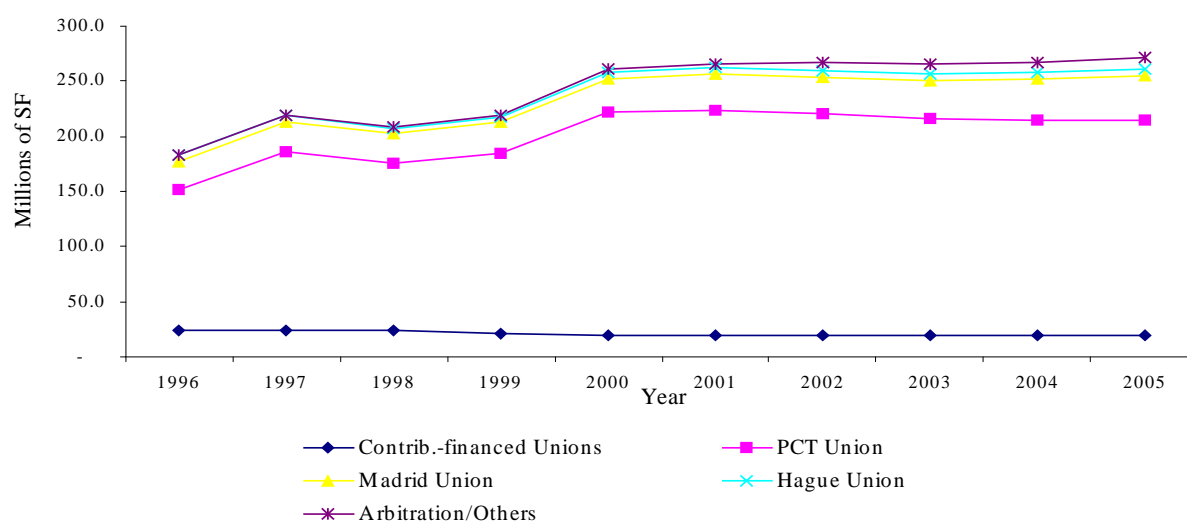
### FINANCIAL INDICATORS 1996-2005

392. The program and budget 2002-2003 includes for the first time a presentation of financial indicators covering a 10-year period, including two years beyond the new biennium and information from the recent past. The induction of such a presentation had already been indicated in paragraph 65 of document WO/PBC/2/6 (Adjustment of Budget Process, Policy on Reserve and Working Capital Funds and Policy on Budget Surplus). The presentation of the financial indicators is intended to put the proposed budget 2002-2003 into context: indicating trends and demonstrating that decision such as long-term commitments or fee reductions can be sustained in the future. This information is to facilitate Member States' review and decision on the proposed program and budget. Three tables are presented which are elaborated below.

393. Annual income by union for the period 1996 to 2005 is shown in table 21.

**Table 21. Income by Union for 1996-2005**  
(Millions of Swiss Francs)

	<i>Actual</i>					<i>Estimate</i>				
	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Contrib.-financed Unions	23.5	23.5	23.5	21.6	19.5	19.5	19.2	19.2	19.3	19.3
PCT Union	127.3	162.0	152.1	162.5	202.1	204.2	201.9	197.5	195.0	195.5
Madrid Union	26.9	28.0	26.7	28.5	31.0	32.1	32.8	33.7	37.0	40.0
Hague Union	4.9	5.1	5.0	5.3	5.8	6.1	5.5	6.0	6.1	6.3
Arbitration/Others	0.6	0.7	0.7	0.8	2.1	3.6	7.6	8.4	10.0	11.0
<b>TOTAL</b>	<b>183.2</b>	<b>219.3</b>	<b>208.0</b>	<b>218.7</b>	<b>260.5</b>	<b>265.5</b>	<b>267.0</b>	<b>264.8</b>	<b>267.4</b>	<b>272.1</b>



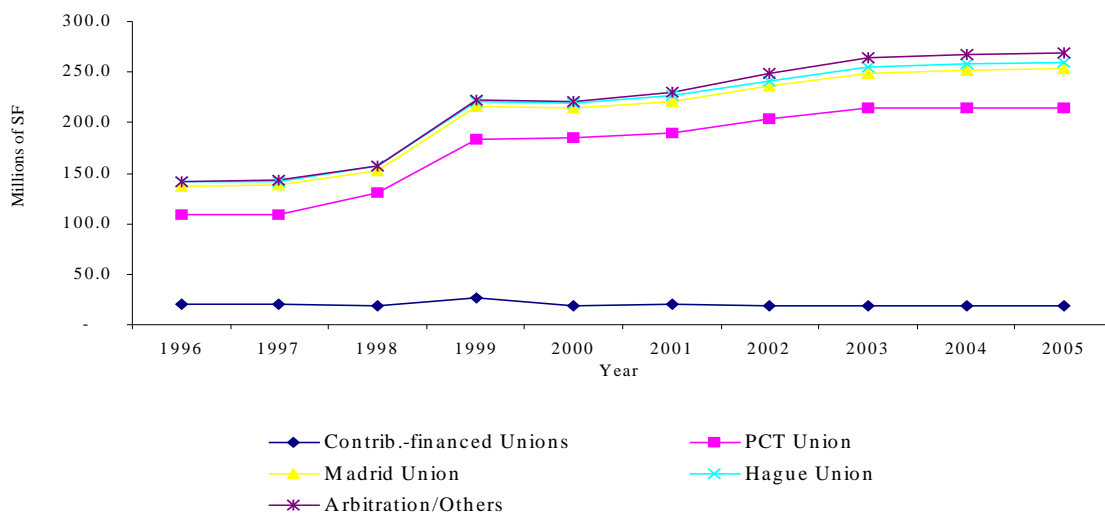
394. Table 21 indicates for the Contribution-financed Unions the a decline from 1998 to 2000 reflecting corresponding reductions in the contributions of Member States and the anticipated stabilization of the income for the coming years.

395. The substantial increase of income under the PCT Union is illustrated for the years 1996-2000. Whereas the number of international application is expected to increase in the coming years, the total amount of income will stabilize in the range of Sfr200 million annually. This is the result of successive fee reductions as illustrated in Section E of the budget document. Indeed, the average fee is decreasing from Sfr2,799 in 1997 by 45 per cent to 1,538 in 2003. The income under the Madrid and Hague Union shows a gradual increase for the 10-year period, reflecting corresponding increases in the number of registrations, deposits and renewals. Income increase as of 2000 under Arbitration/Others shows the rapid expansion of demands and corresponding payments for online-dispute resolution services. In total, whereas WIPO experienced considerable annual increases in income between 1996 to 2000, it is anticipated that the rate of increase will reduce considerably during the coming years.

396. Annual regular budget by union for the period 1996 to 2005 is shown in table 22.

**Table 22. Expenditure/Regular Budget by Union for 1996-2005**  
(Millions of Swiss Francs)

	<i>Actual</i>					<i>Estimate</i>				
	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Contrib.-financed Unions	20.6	20.6	18.7	26.4	18.9	19.7	19.3	19.3	19.3	19.3
PCT Union	88.2	88.2	111.4	157.7	166.0	169.8	184.0	194.7	195.4	195.4
Madrid Union	27.7	28.8	23.0	32.6	28.9	31.5	32.5	35.1	36.7	38.2
Hague Union	4.4	4.6	3.4	4.8	4.7	5.7	5.6	5.6	6.0	6.2
Arbitration/Others	0.7	0.7	0.6	0.9	2.5	2.7	6.6	9.9	10.0	10.0
<b>TOTAL</b>	<b>141.6</b>	<b>142.9</b>	<b>157.1</b>	<b>222.4</b>	<b>221.0</b>	<b>229.4</b>	<b>248.0</b>	<b>264.6</b>	<b>267.4</b>	<b>269.1</b>



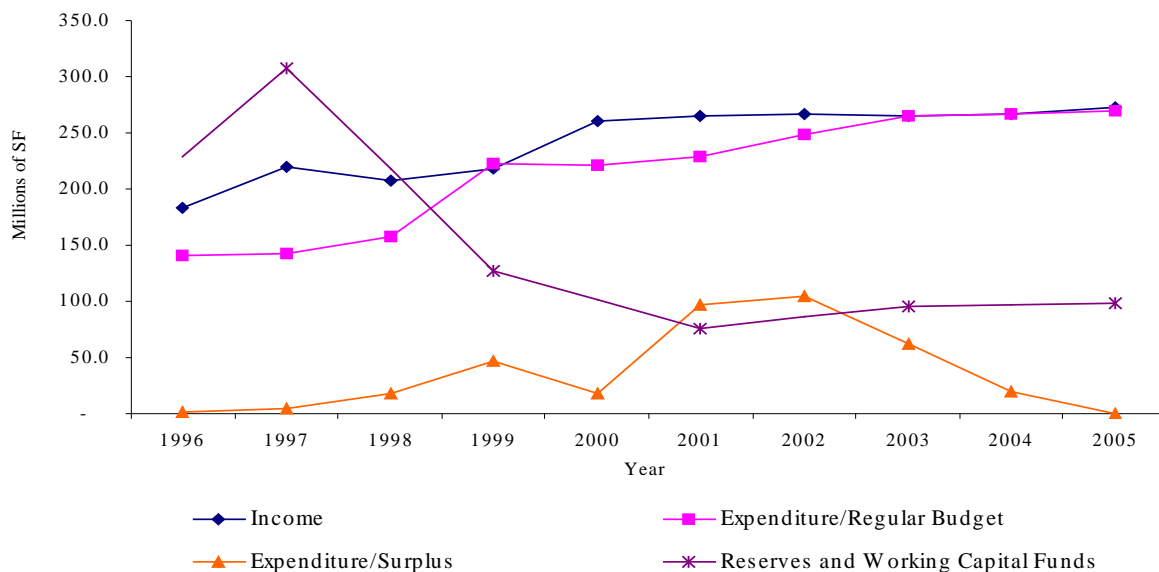
397. Table 22 indicates that the budget for Contribution-financed Union remains stable during the 10-year period. The budget for the PCT Union has increases substantially from Sfr88.2 million in 1996 to Sfr172.3 million in 2001, in accordance with the increase in the number of international applications and income.

398. Further budget increases are projected for the coming years, however, reflecting considerable lower level of growth. For the Madrid and Hague Unions, the budget gradual budget increases match the gradual increases in income and level of registrations, deposits and renewals as indicated above. This is also the case for Arbitration/Others, whereby the budget increase during 2000 to 2003 reflect the increases level of filings and income under the on-line dispute resolution service. In total, WIPO has experienced considerable budget increases during the second half of the 1990s. Whereas it is anticipated that the budget will continue increase, the rate of growth is expected to be considerable lower.

399. Income, expenditure/regular budget, expenditure/surplus and reserves are shown in table 23 for 1996-2005.

**Table 23. Income/Expenditure/Regular Budget, Expenditure/Surplus and Reserves for 1996-2005**  
(Millions of Swiss Francs)

	<i>Actual</i>					<i>Estimate</i>				
	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Income	183.2	219.3	208.0	218.7	260.5	265.5	267.0	264.8	267.4	272.1
Expenditure/Regular Budget	141.6	142.9	157.1	222.4	221.0	229.4	248.0	264.6	267.4	269.1
Expenditure/Surplus	2.1	4.7	18.4	47.3	18.5	97.0	104.4	61.4	20.2	-
Reserves and Working Capital Funds		307.7		127.4		76.3		95.4		98.5



400. Table 23 shows that the level of income exceeded the level of expenditure/regular budget substantially during the period 1996 to 1998. Whereas income and expenditure/regular budget essentially matched during 1999, major surpluses were again generated in 2000 and 2001. With 2002, the gap between income and expenditure/regular budget is anticipated to close gradually. The generated surpluses have resulted in a high level of reserves during the second half of the 1990s, followed by a decrease during subsequent years to an anticipated level of Sfr98.5 million in 2005.

401. This is considered appropriate and corresponds to 20 per cent of biennial expenditure; a target approved by the Assembly in September 2000. The decrease in reserve is mainly the result of launching major buildings and information technology projects funded from surplus resources, including the approval of projects at Sfr206.0 million during the biennium 1998-1999 and the anticipated approval of Sfr126.8 million during the biennium 2000-2001. It is anticipated that expenditure/surplus will peak at Sfr104.4 million in 2002, followed by the gradual completion of the projects. The financial indicators are compared to the evolution of the demand-driven work in the registration area. The volume of applications, registrations, deposits, filings and renewals increase during the 10-year period at an average annual rate of 12 per cent. This is also the case for the period 2002-2005 during which income and budget level are expected to stagnate. Accommodating the additional workload during this period will be possible based on major efficiency gains expected to result from the implementation of the PCT automation projects and reduced rental cost through the availability of additional WIPO-owned premises.

[Appendix 3 follows]