

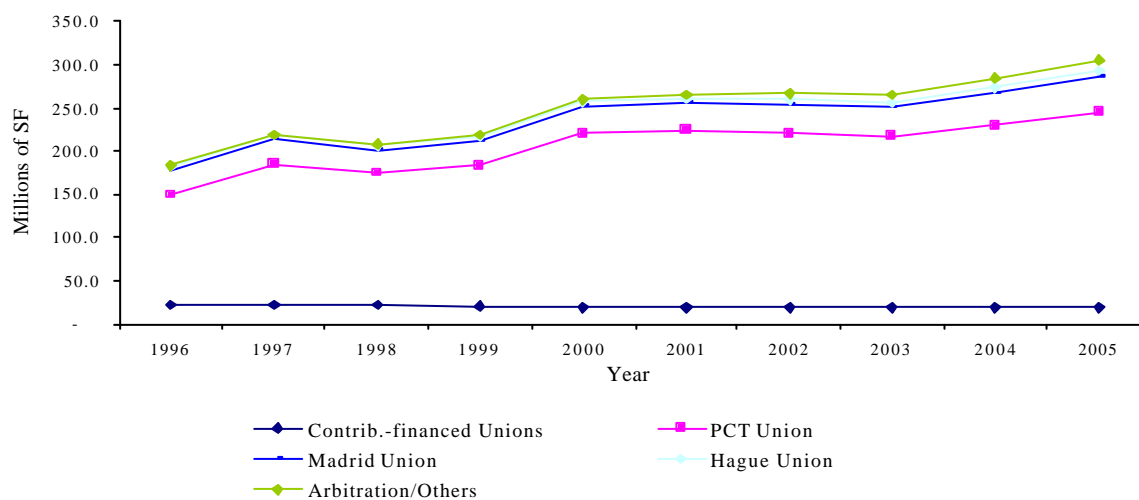
APPENDIX 2 FINANCIAL INDICATORS 1996-2005

477. 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. The presentation previously presented in Appendix 2 of document WO/PC/3/2 has been adjusted to reflect the integration of regular budget and off-budget project activities as approved by the third session of the Program and Budget Committee. Three tables are presented, which are elaborated below.

478. Annual income by union for the period 1996-2005 is shown in Table 25.

Table 25. Income by Union for 1996-2005
(in millions of Swiss francs)

	<i>Actual</i>					<i>Estimate</i>				
	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Contrib.-fin. 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	210.4	226.3
Madrid Union	26.9	28.0	26.7	28.5	31.0	32.1	32.8	33.7	37.8	41.6
Hague Union	4.9	5.1	5.0	5.3	5.8	6.1	5.5	6.0	6.3	6.7
Arbitration/Others	0.6	0.7	0.7	0.8	2.1	3.6	7.6	8.4	10.9	12.7
TOTAL	183.2	219.3	208.0	218.7	260.5	265.5	267.0	264.8	284.7	306.6



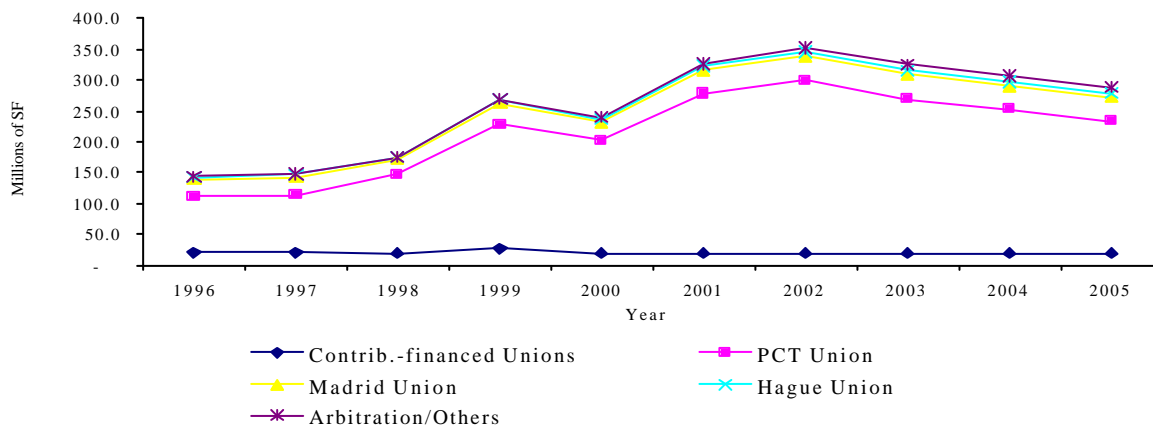
479. Table 25 indicates for the Contribution-financed Unions a decline from 1998 to 2000, reflecting corresponding reductions in the contributions of Member States and the anticipated stabilization of the income for the coming years.

480. The substantial increase of income under the PCT Union is illustrated for the years 1996-2000. Whereas the number of international applications is expected to increase in the coming years, the total amount of income will increase at a lower rate. This is the result of successive fee reductions as illustrated in Chapter D 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. As compared to the previous projections for 2004 and 2005 contained in Appendix 2 of document WO/PBC/3/2, the current estimates have been revised, taking into account higher demands for global protection systems and services. It is anticipated that total income continues to increase, although at a somewhat lower rate as compared to the previous year due to the successive fee reductions.

481. Annual expenditure by Union for the period 1996-2005 is shown in Table 26, consolidating expenditure under the regular budget and off-budget project activities.

Table 26. Expenditure by Union for 1996-2005
(in millions of Swiss francs)

	<i>Actual</i>					<i>Estimate</i>				
	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Contrib.-fin. Unions	20.6	20.6	18.7	26.4	18.9	19.7	19.3	19.3	19.3	19.3
PCT Union	90.2	92.6	128.7	202.3	183.4	258.2	280.4	250.4	233.4	214.0
Madrid Union	27.8	29.0	23.8	34.6	29.7	38.4	39.0	39.9	38.6	39.2
Hague Union	4.4	4.7	3.7	5.5	5.0	7.3	7.1	6.5	6.3	6.2
Arbitration/Others	0.7	0.7	0.6	0.9	2.5	2.7	6.6	9.9	10.0	10.0
TOTAL	143.7	147.6	175.5	269.7	239.5	326.3	352.4	326.0	307.6	288.7



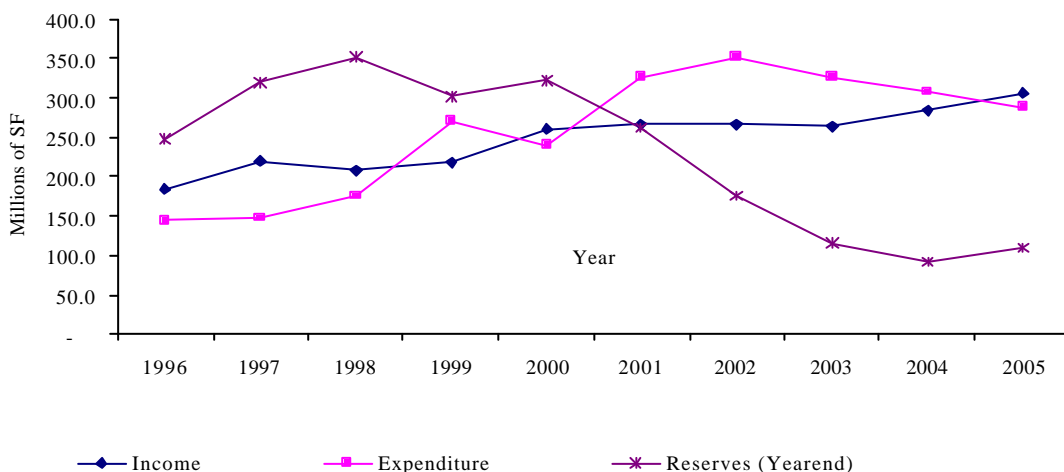
482. Table 26 indicates that the budget for Contribution-financed Union remains stable during the 10-year period. The budget for the PCT Union has increased substantially from Sfr90.2 million in 1996 to Sfr280.4 million in 2002, reflecting budget increases associated with growth in the number of international applications and the implementation of major information technology and premises projects. With the conclusion of those projects, it is anticipated that expenditure under the PCT Union will decrease during the period 2003 to 2005.

483. For the Madrid and Hague Unions, the gradual increases in expenditure 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 increases in expenditure during the second half of the 1990s. Whereas it is anticipated that increases will continue, the rate of growth is expected to be considerable lower.

484. Income, expenditure and reserves are shown in Table 27 for 1996-2005.

Table 27. Income, Expenditure and Reserves for 1996-2005
(in 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	284.7	306.6
Expenditure	143.7	147.6	175.5	269.7	239.5	326.3	352.4	326.0	307.6	288.7
Reserves (Yearend)	248.8	320.5	353.0	302.0	323.0	262.2	176.8	115.6	92.7	110.6



485. Table 27 shows that the level of income exceeded the level of expenditure during the period 1996-1998. This resulted in increases of the reserves from Sfr248.8 million in 1996 to 353.0 million in 1998. As of 2001, income is exceeded by expenditure, the latter covering regular budget and off-budget project activities. Expenditure is expected to peak at Sfr352.4 million in 2002, followed by a decrease to Sfr288.7 million in 2005. This overall expenditure pattern reflect major reductions due to the gradual completion of the information technology and premises projects and modest increases in expenditure related to other activities.

486. The volume of applications, registrations, deposits, filings and renewals increased during the 10-year period at an average annual rate of 12 per cent. This is also anticipated for the period 2002-2005. Income and expenditure associated with these activities will grow at a lower rate. The slow growth in income is due to the substantial fee reductions implemented and proposed. Accommodating the additional workload within lower growth in expenditure 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.

487. With declining expenditure and slowly increasing income, the gap between income and expenditure is anticipated to close gradually as of 2003. Moreover, decline and subsequent stabilization of the reserve level during 2004 and 2005 in accordance with the targets approved by the Assembly in September 2000 will ensure a solid and balanced financial scenario in the future years.

[Appendix 3 follows]