Amending budget 2/2023: surplus of the financial year 2022

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The Committee on Budgets adopted the report by Fabienne KELLER (Renew Europe, FR) on the Council position on draft amending budget No 2/2023 of the European Union for the financial year 2023: Entering the surplus of the financial year 2022.

As a reminder, the Draft amending budget No 2/2023 is designed to enter in the 2023 budget the surplus from the financial year 2022 amounting to EUR 2 519 million.

The main components of the surplus are:

- a positive outturn on revenue of EUR 2 198.4 million and;

- an under-spend of EUR 320.6 million.

On the **revenue side**, the surplus is predominantly driven by a higher than expected amount of customs duties (just over EUR 2 billion). The surplus in administrative revenue of EUR 170 million is mostly attributable to the higher than originally forecasted salary update rate that has increased the level of tax and levies and pensions contributions. The surplus in financial revenue, default interest and fines amounts to EUR 141 million.

On the **expenditure side**, under-implementation in payments by the Commission totalled EUR 247 million for 2022 and EUR 75 million for 2021 carryovers. Under-implementation and cancellation of appropriations by the other institutions is low in comparison with the level of previous years.

The annual GNI lump-sum reductions enjoyed by Germany, The Netherlands, Denmark, Sweden and Austria amount to just over EUR 5 billion net. The margins in the Union budget are very tight and the limited flexibility in the budget is likely to be absorbed by increased costs relating to EURI repayments.

Members took note of Draft amending budget No 2/2023 as submitted by the Commission, which is designed to budget the 2022 surplus, for an amount of EUR 2 519 million. They recalled that the surplus reduces the total contribution of Member States to the financing of the 2023 budget.

Recalling the high financing needs to address the multiple challenges currently faced by the Union such as the war in Ukraine and climate change and the increasing EURI borrowing costs, Member States are urged to take advantage of the reduction in their GNI-based contributions stemming from the 2022 surplus to fund actions in those fields or to use it as extra flexibility, in order to respond to the repeated calls to ensure that there is enough flexibility and margins in the Union budget to be able to respond to urgencies without compromising already agreed budgetary appropriations.

The committee approved the Council position on Draft amending budget No 2/2023.