

Amending budget 3/2024: surplus of the financial year 2023

2024/0089(BUD) - 22/10/2024

The European Parliament adopted by 531 votes to 91, with 35 abstentions, a resolution on the Council position on Draft amending budget No 2/2024 of the European Union for the financial year 2024 entering the surplus of the financial year 2023.

Parliament **approved** the Council position on the draft amending budget No 2/2024.

The Draft amending budget No 2/2024 is designed to enter in the 2024 budget the surplus from the financial year 2023 amounting to **EUR 633 million**.

On the revenue side, the primary drivers for the volume of the surplus are an amount of EUR 1 766 million in financial revenue, default interest and fines, set against customs duties amounting to EUR 1 649 million below the expected figure. The EUR 107 million surplus in administrative revenue is principally attributable to a higher-than-forecast pension contribution rate and the application of an intermediate salary update in January 2023, which increased the level of tax and levies and pension contributions.

On the expenditure side, under-implementation in payments by the Commission totalled EUR 70 million (0.1% of authorised payment appropriations). The other institutions cancelled EUR 48 million in payments, thereby maintaining the low under-implementation rate from the 2022 budget.

The annual GNI lump-sum reductions enjoyed by Germany, The Netherlands, Denmark, Sweden and Austria amount to around EUR 5.4 billion net.

Parliament welcomed the fact that the 2023 surplus is considerably **lower than the 2022 surplus**, pointing to **improved budgetary forecasting and management** by the Commission.

The resolution underlined that the surplus reduces the total contribution of Member States to the financing of the 2024 budget at a time when financing needs remain high and space within the Union budget extremely limited. The budget must retain sufficient flexibility to enable the Union to cope with unforeseen events and new emerging priorities.

Parliament recalled its long-standing position that **fines and fees** should be used as supplementary revenue for the Union budget and should not lead to a corresponding decrease in GNI-based contributions.

Taking note of the calculation of the adjusted annual GNI lump-sum reductions for the five beneficiary Member States, Parliament stressed that these rebates are inflation-linked and have therefore increased at a higher rate than the MFF ceilings, which are adjusted annually on the basis of the 2 % deflator. This anomaly increases the burden on the other Member States.

Lastly, Parliament deplored the absence of progress in the Council on the reform of the own resources system. It recalled its position in support of the amended Commission proposals and urged the Council to adopt those proposals swiftly in order to increase the own resources available to the Union budget.