Amending and supplementary budget 2/2002

2002/2043(BUD) - 27/02/2002 - Commission preliminary draft budget

PURPOSE : draft amending Budget No 2 to the Budget for 2002. CONTENT : this Preliminary Draft amending Budget (PDAB) No 2/2002 consists of the following elements that exclusively concern the revenue side of the budget: - a complete recalculation of the financing of the 2002 budget to take account of the entry into force of the new Own Resources Decision (2000/597/EC). A budgetary line is also foreseen for the effects of the new Decision on the payments of traditional own resources relating to the financial year 2001; - the budgeting of a preliminary amount of the positive balance carried over from 2001. The new Own Resources Decision entails the following changes as compared to the previous council Decision 94/728: - the use of ESA 95 (the European System of Accounts 1995) is extended to the budgetary and own resources area, which has an impact on the calculation of GNP bases, and consequently on Member States' payments of the GNP resource. The ceiling of own resource, calculated in GNP, has also been recalculated in order to maintain the maximum amount of own resources put at the disposal of the Communities. - the percentage of traditional own resources (TOR) that Member States are allowed to retain to cover their collection costs increases from 10% to 25%. This applies to TOR established after 31/12/00. - the maximum rate of VAT is reduced from 1% to 0.75% in 2002 (and to 0.5% from 2004 onwards.) The new financing rules for the UK correction further reduces the uniform rate of call of VAT. - the method of calculating the UK correction is modified in order to neutralise the net gains (the "windfall gains") of the UK that result from the increase in percentage of TOR retained by Member States. - the share of Austria, Germany, the Netherlands and Sweden in the financing of the UK correction is reduced to a quarter of their normal share. The reduction is financed by the other Member States, excluding the UK. On the positive balance carried over, the final amount is not yet known. A preliminary estimate is proposed. In addition to the EUR 1 200 million that was already in the 2002 budget, it is proposed to budget a further EUR 10 000 million in the present PDAB. As a result of these changes, total own resources payments under title 1 of the present PDAB decrease by EUR 7961.3 million as compared to the 2002 budget. The remaining part of the budgeted additional surplus of EUR 10 000 million corresponds to the adjustment for the 2001 traditional own resources, which is budgeted as negative revenue under title 2.