Amending budget 2/2003: general statement of revenue

2003/2103(BUD) - 13/05/2003 - Commission preliminary draft budget

PURPOSE : to present the preliminary draft amending budget for the 2003 budget (General Statement of Revenue). CONTENT : the European Commission presents to the budgetary authority the preliminary draft amending budget No 3 to the 2003 budget. The present Preliminary Draft Amending Budget (PDAB) aims at budgeting the surplus resulting from the implementation of the budget year 2002. As provided for in the Financial Regulation applicable to the general budget of the European Communities, under Article 15, it is the only subject of this PDAB and it is submitted within 15 days following the submission of the provisional accounts, which took place on 1 May 2003. The final result of the budget year 2002 shows a surplus of EUR 7.413 billion. The 2002 surplus represents savings for Member States, as it will mean a substantial reduction in their contributions to this year's budget. This figure is the net product of a negative component resulting from lower than forecast revenues (-EUR 1.287 billion), less money taken up on the expenditure side (+ EUR 8.954 billion) and a negative balance of monetary exchange (- EUR 0.253 billion). The budgeting of the surplus from 2002 will reduce the financing needs of the EU budget in 2003. The lower than initially expected revenue in 2002 is mainly accounted for by a shortfall in own resources, namely customs duties and VAT. On the expenditure side, the uptake of funds available in the budget has improved, and was very good for the cohesion fund, external actions and administration. The highest difference between result and initial budget in 2002 occurred in the Structural Funds, where amounts budgeted are based on forecasts submitted by the Member States. Despite important carry-overs from 2002 to 2003 some EUR 4.85 billion have not been disbursed, mainly related to the previous programming period. The second place is taken by internal policies, with around EUR 1.16 billion left over. Given the size of its budget, the estimates for agriculture proved rather accurate, with only around EUR 1.1 billion in surplus. Absorption for pre-accession aid to candidate countries remained problematic in 2002, with payments almost EUR 0.8 billion lower than budgeted. The surplus recorded in agriculture, administrative expenditure and the reserves represents real savings. An amount of EUR 1 billion from the surplus had already been entered into the 2003 budget when it was adopted last December, so the latest amending budget will reduce Member States payments to the EU budget by around EUR 6.4 billion compared to the initial calculation. However, the effect by Member State of this global decrease is also influenced by the updated own resources forecast including the updated amount of the UK correction. This will be the subject of a separate Amending Budget, to be presented by the Commission end of May 2003, which is expected to change the distribution of the total amount by country (refer to BUD/2003 /2113). By way of comparison, the surplus for 2001 was EUR 15 billion, and for 2000 was EUR 11.6 billion.