

Strengthening of surveillance of budgetary positions and surveillance and coordination of economic policies

2005/0064(SYN) - 09/06/2005 - Text adopted by Parliament, 1st reading/single reading

The European Parliament adopted by 311 votes in favour to 115 against with 175 abstentions, a report by Othmar KARAS (EPP-ED, AT) on strengthening of the surveillance of budgetary positions and the surveillance and coordination of economic policies. The main amendments were as follows:

- the medium-term budgetary objectives will be reviewed, at least annually and whenever major structural and budgetary reforms are undertaken, and, where appropriate, revised. Each Member State may establish an economic council of wise people to advise on the main macro-economic projections;
- a new recital states that the implementation of the fiscal framework, the surveillance and coordination of economic policies and their credibility rely on the quality, reliability and timeliness of fiscal statistics. The quality of statistics at national and Community level must be ensured in order to guarantee the independence, integrity and accountability of both national statistical offices and Eurostat;
- a further new recital states that the Commission should compare the figures submitted to it by the Member States with the reports submitted by the national central banks to the ECB;
- when the Council is assessing the programme within the framework of multilateral surveillance under Article 99, the Commission will undertake financial auditing missions in the Member States;
- the Council will carry out the examination of the stability programme within at most three months of the submission of the programme. Where the Council considers that the objectives and contents of a programme should be strengthened, in particular regarding the improvement on the adjustment path toward the medium-term budgetary objective pursued in economic good times, the Council shall invite the Member State concerned to adjust its programme;
- as part of multilateral surveillance the Council will monitor the implementation of stability programmes, on the basis of information provided by participating Member States and of assessments by the Commission and the relevant Committee, in particular with a view to identifying actual or expected significant divergence of the budgetary position from the medium-term budgetary objective, the adjustment path towards it, as set in the programme for the government surplus/deficit, and the expected path of the general government debt ratio;
- in the event that the Council identifies significant divergence of the budgetary position from the medium-term budgetary objective, the adjustment path towards it or the expected path of the general government debt ratio, it shall, with a view to giving early warning in order to prevent the occurrence of an excessive deficit or debt ratio, address a recommendation to the Member State concerned to take the necessary adjustment measures;
- a new clause states that in the event that the Council in its subsequent monitoring judges that the divergence of the budgetary position from the medium-term budgetary objective, the adjustment path towards it or the expected path of the general government debt ratio is persisting or worsening, the Council shall make a recommendation to the Member State concerned to take prompt corrective measures and may make its recommendation public.

