

Excessive deficit procedure: speeding up and clarifying the implementation

2005/0061(CNS) - 09/06/2005 - Text adopted by Parliament, 1st reading/single reading

The European Parliament adopted a resolution drafted by Othmar KARAS (EPP-ED, AT) on the excessive deficit procedure. Parliament felt that there needs to be a definition of the concept of an "exceptional and temporary excess" of budget deficit over the permitted 3 per cent of GDP, and that this should be done in the context of the Commission's budgetary forecasts and common external assumptions. It also wants a clear, agreed list of which factors might be judged relevant in assessing deficits.

The new text went on to state that the maximum deadline for correction of an excessive deficit should not exceed three years after its occurrence.

The Commission and the Council, when assessing and deciding upon the existence of an excessive deficit, must compare the figures submitted to the Commission by the Member States with the reports submitted by the national central banks to the ECB.

Finally, Parliament said that it should be informed regularly about the existence of an excessive deficit and the monitoring process.