Basic information

1995/2116(BUD) BUD - Budgetary procedure	Procedure completed
1996 ECSC operating budget **Subject** 8.70.60 Previous annual budgets	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
BUDG Budgets	GIANSILY Jean-Antoine (UPE)	19/07/1995

Committee for opinion	Rapporteur for opinion	Appointed
ECON Economic and Monetary Affairs, Industrial Policy		

Council of the European Union

Council configuration	Meetings	Date
Budget	1866	1995-07-24

Key events

Date	Event	Reference	Summary
23/05/1995	Council draft budget published	SEC(1995)0834	Summary
16/06/1995	Committee referral announced in Parliament		
24/07/1995	Debate in Council		
18/10/1995	Vote in committee		Summary
18/10/1995	Budgetary report tabled for plenary	A4-0256/1995	
24/10/1995	Debate in Parliament		Summary
26/10/1995	End of procedure in Parliament		
20/11/1995	Final act published in Official Journal		

Technical information

Procedure reference	1995/2116(BUD)

Procedure type	BUD - Budgetary procedure
Procedure subtype	Budget
Legal basis	ECSC Treaty C 078
Stage reached in procedure	Procedure completed
Committee dossier	BUDG/4/06756

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Budgetary report tabled for plenary, 1st reading		A4-0256/1995 OJ C 308 20.11.1995, p. 0004	18/10/1995	
Budgetary text adopted by Parliament		T4-0516/1995 OJ C 308 20.11.1995, p. 0097-0131	26/10/1995	Summary

European Commission

Document type	Reference	Date	Summary
Council draft budget	SEC(1995)0834	23/05/1995	Summary

Additional information

Source	Document	Date
European Commission	EUR-Lex	

1996 ECSC operating budget

1995/2116(BUD) - 26/10/1995 - Budgetary text adopted by Parliament

In adopting the report by Mr GIANSILY (UPE, F), Parliament initially noted that ECSC activities should be seen in a more favourable light in 1996 with a real growth of 3%. However, coal production was expected to decline with output falling from 130 million tonnes to 127 million tonnes. If this decline continued, the Community would be obliged to resort to instruments which have been provided by the ECSC up until 2002. At the same time, Parliament took note of the rise in steel production (14 millions tonnes in 1995, 2 millions tonnes in 1996). As regards the budget itself, Parliament noted that as far as expenditure was concerned the Commission wished: . to reduce the amount of aid for readjustment in a disproportionate way (from ECU 135 m in 1995 to ECU 80 m for 1996), . to increase the amount of aid for reconversion from ECU 35 m to ECU 50 m, . to reduce by more than one half the amount allocated to social measures for restructuring in the steel and coal industries. . In addition, the amount of aid allocated for research, which had not been particularly high in 1995, was to be maintained at ECU 60 m. Parliament therefore proposed altering the programme of expenditure in order to: . reduce the decline in aid for readjustment (which would be increased from ECU 80 m to ECU 86 m), . maintain research aid at an operating level (this to be increased from ECU 60 m to ECU 74 m), . reverse the trend for social measures to promote restructuring in the coal industry (appropriations to be increased from ECU 26 m to ECU 28 m), whereas social measures for the restructuring of the steel industry would only be allocated ECU 18 m instead of ECU 20 m. Considering that the increase proposed for reconversion aid went against the general budget trend, Parliament reduced this heading to ECU 30 m (instead of ECU 50 m) with the obligation on the Commission to apply strict criteria when granting reconversion aid for re-employment purposes. As far as the levy was concerned, Parliament suggested reflecting on the possibility of applying a global levy to all ECSC products so as not to penalize Community production. It also called on the Commission to: - present in its ECSC draft budget for 1997 a plan designed to give real content to the ECSC social inquiry; - define and possibly begin, from 1996 onwards, to implement the measures needed to ensure that the activities being pursued in application of the ECSC Treaty might continue beyond 2002; - refine its hypothesis for 2002 by determining more precisely the residual assets which will be available on that date.

1996 ECSC operating budget

1995/2116(BUD) - 23/05/1995 - Council draft budget

OBJECTIVE: presentation of the draft ECSC operating budget for 1996 in its economic, political and financial context. SUBSTANCE: .economic and political context: - with regard to steel: the Commission estimates predict a slight increase in domestic steel consumption and put Community steel production in 1996 at 155 million tonnes (in other words, 2 million tonnes more than in 1995). This increase would primarily be due to the economic recovery (growth rate of around 3% in 1995) and a clear improvement in the activity of steel-consuming industries (such as the construction industry). The policy guidelines for the steel sector indicate an unsatisfactory level of closures (approximately 16 million tonnes). The Commission therefore intends to set aside some of its objectives concerning social measures for the steel industry and certain external protection measures. - in the coal sector, production in the Union is still decreasing (estimate of around 127 million tonnes in 1996 compared to 130 million tonnes in 1995). The era of large surpluses is past and it seems that supply today is practically lower than demand, thus indicating a degree of price stabilisation. The Union's priority in this sector is to produce coal in an economically viable manner and to maintain economic and social cohesion in the mining regions in decline. In this respect, the aids granted under the new Community intervention system for the Member States (system approved by the Commission on 28 December 1993) should help ensure further progress in terms of economic viability, reducing the total or partial activity of production units (the number of jobs in the coal industry would fall from 152 000 in 1995 to 143 000 in 1996) and adapting the coal industry to environmental protection regulations. . financial context: - the Union must implement the ECSC financial instruments in the light of not only the foreseeable economic and political constraints but also the budgetary constraints with a view to completing the financial operations implemented in accordance with the Treaty of Paris in anticipation of the expiry of the Treaty in 2002. A range of transitional measures are being implemented prior to its expiry, characterised by a marked restriction on ECSC loans. As a result, the volume and scope of the operating budget are above all affected by the constant fall in the level of resources (1993: ECU 596 million; 1994: ECU 465 million; 1995: ECU 331 million; and 1996: ECU 241 million, in other words 27% less than in 1995). This reduction is due to both the decrease in the levy rate and the decline in irregular resources (cancellations, recovery of reserves, and so on). - Draft ECSC operating budget for 1996: . the draft budget will be drawn up on the basis of a price increase of around 2.7%. The budget is characterised by a reduction in resources (mainly internal: net balance, cancellations, resources carried over from the previous year) and by a clear reduction in the demand for social aid linked to the expiry of certain programmes and the economic recovery. The Commission proposes allocating more than half the total appropriations to social measures (in other words ECU 126 million out of a total of ECU 241 million). With regard to resources, the Commission is continuing with the policy that it has implemented over the last few years, namely decreasing its levy rate (by 0.02%), which falls to 0.19% in 1996. . The budget is therefore broken down as follows: - resources: . yield from the ECSC levy: ECU 95 million; . net balance for 1996: ECU 105 million; . debt repayments: ECU 2 million; . cancellations: ECU 39 million; (. low-cost housing programme: ECU 13.5 million allocated not from the budget but from non-loan funds: special reserve and former ECSC pension fund). - requirements: . administrative expenditure: ECU 5 million; . social aid: ECU 126 million (including ECU 80 million for traditional redeployment aid, ECU 20 million for social measures in the steel industry and ECU 26 million for social measures in the coal industry); . research: ECU 60 million; . interest subsidies: ECU 50 million; - TOTAL: ECU 241 million.