

Amending budget No 1/2019: 2018 surplus

Draft Amending Budget No 1/2019 (DAB1/2019) enters the surplus resulting from implementation of the 2018 budget into the EU's 2019 budget. The 2018 surplus totals over €1.8 billion, as compared to €0.56 billion in 2017. It consists mostly of higher than expected revenues and underspending on the expenditure side. Inclusion of the surplus will reduce the Member States' contributions to the 2019 EU budget accordingly. The European Parliament is expected to vote on the Council position on DAB1/2019 during its September 2019 plenary session.

European Commission proposal

[DAB1/2019](#) deals with the surplus for the year 2018 only. The European Commission proposed it on 15 April 2019, within 15 days of submitting the provisional accounts at the end of March 2019. Implementation for the year 2018 showed a surplus of €1 802 988 329, which consists of additional revenue of €1 274 590 133 and surplus in expenditure of the EU budget of €528 398 196.

As far as revenue surplus is concerned, the differences in own resources represent 0.02 % of the forecast. The difference in revenue was generated by higher than expected income, mainly from fines for breaking EU competition law, default interest, other penalty payments and interest linked to fines and penalty payments.

The surplus in expenditure, meanwhile, includes under-implementation of the EU budget (€398 million), cancellation of appropriations carried over from previous years (€130 million), and exchange rate variations. Budget implementation by the Commission reached 99.8 % of authorised payment appropriations. This means that, across all budget headings, €322 million was not spent, including an unused €120 million from the Emergency Aid Reserve.

Under-implementation of the other EU institutions amounted to €76 million.

European Parliament position

Parliament's Committee on Budgets (BUDG) adopted its [report](#) on DAB1/2019 on 3 September 2019, and recommended approval of the [Council position](#) on DAB 1/2019.

The report noted the relatively high level of competition fines feeding into the EU budget in 2018, totalling €1 149 million. The Committee on Budgets reiterated that any surplus resulting from under-implementation should be reused. Moreover, the report stated that any revenue resulting from fines or linked to late payments should feed into the EU budget without a corresponding decrease in GNI contributions. The BUDG committee recalled its position in favour of increasing the proposed Union reserve in the next multiannual financial framework by an amount equivalent to the revenue resulting from fines and penalties.

A plenary vote on the BUDG committee report is now expected during the September session.

Budgetary procedure: [2019/2021\(BUD\)](#); Committee responsible: BUDG; Rapporteur: John Howarth (S&D, United Kingdom).

