

Amending Budget No 7/2020 Update of revenue (own resources)

The purpose of Draft Amending Budget No 7/2020 (DAB 7/2020) is to update the revenue side of the budget, taking into account the latest economic developments. Due to the coronavirus pandemic, the outlook for the European economy has changed significantly since the budget was adopted. DAB 7 proposes the following adjustments on the revenue side of the 2020 budget: an update of the estimates for traditional own resources, the own resources based on the value added tax and gross national income. Further updates concern the United Kingdom correction, other revenue taking into account paid-up fines and penalty payments up to June 2020, as well as negative exchange rate differences. The European Parliament is expected to vote on the Council's position on DAB 7/2020 during the October I plenary session.

European Commission proposal

On 6 July 2020, the Commission adopted [DAB 7/2020](#), taking into account its [spring 2020 forecast](#) under which it expects the Union economy to contract by 7.5 % this year. The Commission proposes:

- an update of the estimates for traditional own resources (TOR, i.e. customs duties) as well as for the own resources based on the value added tax (VAT) and gross national income (GNI): total 2020 net customs duties are now forecast at €18 507.3 million (after deduction of 20 % collection costs), which represents a decrease of 16.47 % relative to the forecast of €22 156.9 million included in the 2020 Budget. The total 2020 EU uncapped VAT base is now forecast at €6 764 185.3 million, which represents a decrease of 8.30 % compared to the May 2019 forecast of €7 376 556.2 million. The total 2020 EU GNI base is forecast at €15 480 146.9 million, a decrease of 8.88 % compared to the May 2019 forecast of €16 988 025.0 million. The decrease in revenues from customs duties and VAT are balanced by a proposed increase of the GNI based resource by **€5 533 million**.
- an update of the UK correction: the correction of budgetary imbalances in favour of the United Kingdom (UK correction), to be budgeted in DAB 7, concerns the years 2015, 2016, 2017, 2018 and 2019. The update of the corrections for 2015, 2016, 2017, 2018 and 2019 stems mainly from the update of the VAT and GNI bases as communicated by Member States in autumn 2019. The update of the correction for 2018 and 2019 also takes into account the allocated expenditure of 2018 and 2019 respectively.
- to take into account paid-up fines and penalty payments up to June 2020: the initial forecast from the 2020 budget (€100 million) is increased by €118 million. Accordingly, the own resources contributions from Member States to the EU budget will be reduced.
- to compensate the negative exchange rate differences (from January to June 2020, a total of minus €400.6 million) the Commission proposes to create a new budget line in Title 3 – Article 390 'Adjustments related to exchange rate differences for own resources'.

European Parliament position

On 22 September 2020, the Committee on Budgets (BUDG) adopted its [report](#) on the [Council position](#) (adopted on 4 September 2020) without any amendments. The vote in plenary is scheduled to take place during the October I plenary session.

Budgetary procedure: [2020/1999\(BUD\)](#); Committee responsible: BUDG; Rapporteur: Monika Hohlmeier (EPP, Germany).

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