



Ten facts about the EU budget

Background

The EU budget is often misunderstood, and perhaps even more often misrepresented. Here are ten basic facts to bear in mind when you read (or write) about it.

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Background

1 - A small budget

The EU budget (27 Member States, 500 million citizens) was around €127 billion in 2011, which is very small compared to the sum of national budgets of all 27 EU Member States, which amount to more than €6,300 billion.

In other words, ***total government expenditure by the 27 Member States is almost 50 times greater than the EU budget.***

The EU budget is smaller than that of a medium-sized Member State such as Austria or Belgium.

Background

2 - Equal to 1% of EU GDP

The EU budget represents around 1% of EU Gross Domestic Product, whereas Member States' budgets account for 44% of GDP on average.

Background

3 - A "no deficit" budget

The EU budget is always in balance, which means no single euro is spent on debt. The EU is not allowed to run a deficit.

Background

4 - An investment budget

The EU budget is mainly an investment budget. 94% of what is paid into the EU budget is invested in Member States, on policies and programmes that benefit citizens directly.

It finances long term-investments that would not have been financed at national level (such as transnational infrastructure or research).

Background

5 - Administrative costs account for 6%

Many people wrongly believe that most of the EU budget is spent on administration.

In reality, administrative costs are only a very small part of the overall budget. They have been stable in recent years and serious efforts are made to keep them low.

In 2010 the EU's administrative expenses were about €7.9 billion, which is around **6% of the total EU** budget. The European Parliament's slice of this is 20%, or 1.2% of the total EU budget.

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6 - Growing far slower than national budgets

Between 2000 and 2010, **national budgets in the EU grew by 62%, while the EU budget grew by 37%.**

Yet over the same period, the EU welcomed twelve new Member States, growing from 15 to 27.

Background

7 - National budgets set to go on growing

In 2012, 24 national budgets out of 27 are set to increase, say latest forecasts.

Background

8 - EU budget is on track

The payment figures for the annual budgets are merely the result of a bookkeeping exercise by the European Commission.

The Commission calculates precisely which tranches of which contract have to be paid in year X.

Generally, in the middle and towards the end of the EU's seven-year multi-annual financial framework (MFF), payments rise as the programmes are running at full implementing speed.

The fact that the Commission expects the budget for payments to rise by 4.9% is a sign that the investments are on track.

Background

9 - Parliament's budget increase is below inflation

The Budgets Committee voted for a European Parliament budget of €1.710 billion.

This means an increase of 1.44% as compared to the 2011 budget.

This increase includes the costs for welcoming 18 new MEPs as a result of the Treaty; the so-called "Lisbon" posts (€10,605,078).

Without these costs, the increase would be only 0.8%.

Background

10 - Parliament's budget savings

To achieve this small increase, several savings are proposed (as compared to the draft budget presented by the Commission), including:

- 5% savings on ordinary travel expenses: €3,850,000
- 15% of the ordinary travel budget in reserve: €11,071,086
- €10 million savings on conference interpreters
- €11 million savings on outside services
- energy consumption: €462,000
- Security and surveillance of buildings: €324,143
- Digital and traditional publications: €250,000
- EU Eco-Management and Audit Scheme (EMAS): €950,000