



EUROPEAN PARLIAMENT

2009 - 2014

Committee on Economic and Monetary Affairs

2012/2092(BUD)

4.9.2012

OPINION

of the Committee on Economic and Monetary Affairs

for the Committee on Budgets

on the General budget of the European Union for the financial year 2013 - all sections
(2012/2092(BUD))

Rapporteur: Ashley Fox

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SHORT JUSTIFICATION

The current economic climate in most Member States of the Europe Union is one of national austerity, weak growth, recession and lack of international competitiveness. With this bleak picture in mind, the Parliament must act responsibly.

The Parliament should approach Budget 2013 both with an understanding of Member States' fiscal policy, but also with a vision of how the budget can be utilised to deliver growth and competitiveness to the European Union.

Many Member States refused to consolidate during consecutive years of impressive growth and spent too much on an unsustainable public sector, contributing to the economic crisis in which Europe finds itself. This has led to Member States making extraordinary efforts to reduce debt and national deficits, putting their fiscal policy and national finances on a sustainable footing.

European Union public spending must be subjected to the same discipline as that in the Member States. The EU cannot be exempt from the concerted effort by responsible Governments across the Union. Unless the EU shows understanding and respect for the current economic crisis gripping Europe, our citizens will view the EU with contempt.

Budgetary constraint and sound financial management of the European budget does not mean the EU cannot prioritise spending in certain areas, or indeed, spend it better. Your Rapporteur firmly believes in the need to allocate resources to programmes which will deliver maximum benefit to citizens, namely those that deliver growth. Only with growth can Europe pull itself out of the current crisis and provide jobs and wealth for its citizens.

It is therefore vital that the Parliament ensure that its priorities and ideas are incorporated into the 2013 budget. The Parliament must provide the Council with a clear budget that calls for a budgetary freeze, increasing spending where it matters and cutting it where it does not. Only by approaching the budget process in this way will the Council accept the Parliaments ideas. The Parliament's approach to budget 2013 must be different if we are to avoid the failures of the past.

With this approach in mind, your Rapporteur has identified increased funding for the European Supervisory Authorities as being ECON's main priority. Effective financial supervision and financial market stability will be vital to delivering a healthy financial sector within Europe which will drive growth, providing jobs and prosperity to citizens.

Increases to ESAs budgetary lines should be balanced with corresponding cuts to other ECON lines to deliver an overall budgetary freeze. Setting out clear priorities will provide the BUDG committee with a responsible proposal and will assist in delivering an acceptable budget proposal to the Council.

SUGGESTIONS

The Committee on Economic and Monetary Affairs calls on the Committee on Budgets, as the committee responsible, to incorporate the following suggestions in its motion for a resolution:

1. Notes that the economic crisis is continuing to grip Europe, resulting in austerity measures across many Member States leading to reductions of public spending and increases in taxation; underlines that EU spending must be based on the same approach of responsibility as for Member States;
2. Believes that the EU budget is an effective and important instrument for promoting competitiveness, growth and jobs in Europe; underlines, therefore, that it is a crucial tool for growth and cohesion across the EU at a moment when the efforts of Member States to balance public revenues and spending, so as to return public finances to sustainability, are considerable in size;
3. Encourages a priority driven approach to budget 2013 with a focus on creating European added value supporting the Europe 2020 strategy, whilst striving to match budget increases with cuts;
4. Believes that the EU budget must be compatible with the reform efforts for the whole of the European Union meaning, among other things, that less prioritised items should be reduced or phased out;
5. Believes that the EU budget for 2013 should be approached in the same way as Member States' national budgets with a clear priority for programmes and funding that will deliver sustainable growth and jobs in the European Union in line with the Europe 2020 strategy;
6. Welcomes the preference of the Commission for putting strong emphasis on innovation, competitiveness, growth and jobs by making subheading 1a – where the key policies promoting positive developments in those fields are concentrated – the most highly prioritised area in its draft budget;
7. Notes the long array of important additional tasks delegated to the European Supervisory Authorities (ESAs) which will require commensurate budgetary increases in order for them to fulfil their supervisory role;
8. Rejects the cuts proposed by the Commission to the budgets of the ESAs, especially given the crucial role they will play to promoting financial market stability and enabling our financial system to deliver growth; is particularly concerned by the further cuts proposed by the Council, making it nearly impossible for the ESAs to fulfil their duties;
9. Is surprised by the Council's approach of not relating its ESA proposals to actual needs but of simply making them subject to a mechanical reduction scheme applied without differentiation to all decentralised agencies;
10. Stresses that the cuts proposed by the Commission and the Council for the ESAs run contrary not only to the build-up plans for these fledgling authorities and the well-founded budgetary estimates made by the authorities themselves but also to repeated calls

from Parliament for the authorities to be adequately funded;

11. Believes that when the ESAs are given additional tasks in the future there should be a detailed cost assessment made also at a later stage in the legislative process, before trilogue negotiations, in order for MEPs and Member States to get an updated and comprehensive picture and fully understand the cost consequences of the proposals they are making;
12. Calls on the Commission to investigate additional funding models, such as industry fee mechanisms, aimed at strengthening the ESAs so as to ensure their independence and objectivity, taking note of Article 62 of the ESA regulations; stresses that every such mechanism must ensure the integrity of the ESAs vis-à-vis the financial sector;
13. Welcomes the increases suggested by the Commission for the Entrepreneurship and Innovation Programme (EIP) under the Competitiveness and Innovation Framework Programme (CIP) as an essential step in the right direction, in particular when it comes to facilitating access to financing for SMEs; regrets the markedly less ambitious approach of the Council to a programme of such key importance for the creation of growth and jobs;
14. Believes that enforcement of competition policy is essential and should be strengthened and that, therefore, more resources are needed to ensure that competition authorities are more proactive and more efficient and are able to deal properly with their rising workload;
15. Underlines that, in order for the crucial economic governance reforms to be implemented in an effective way, the human resources situation at the Commission's Directorate-General for Economic and Financial Affairs (DG ECFIN) must be gradually upgraded so that it matches all the extended and new responsibilities; welcomes, in this regard, the reinforcement of this DG proposed by the Commission; stresses that additional resources will probably need to be allocated following the adoption of the "two pack" legislative package (COD(2011)0385 and 0386);
16. Believes that international cooperation in the field of taxation (good governance in the area of tax) needs to be reinforced if the announced fight against tax havens is to lead to concrete action;
17. Stresses that the resources allocated to Eurostat must continuously reflect the expanding workload and the enhanced quality demands in the key field of economic and financial statistics; points out that this aspect is particularly important in the process of making the new economic governance framework work; believes, against this background, that the increase below the rate of inflation as proposed by the Commission for staff expenditure in the 'Statistics' policy area is not big enough; calls on the Commission to clarify, as soon as possible, exactly what appropriations are needed for 2013 in the context of a new and more ambitious Union Statistical Programme (for 2013-2017) replacing the existing one;
18. Welcomes the important Commission initiative of 27 June 2012, outlined in a concrete and forward-looking Communication, to reinforce the fight against tax fraud and tax evasion in the EU and in relation to third countries; believes that the 2013 budget should

lay a reasonable foundation for the enhanced work in this area outlined in the Communication; stresses, therefore, that:

- the modest budget increases suggested by the Commission for the Fiscalis 2013 and Customs 2013 programmes should at least be confirmed,
 - staff expenditure in the 'Taxation and customs union' policy area should be expanded by more than the increase proposed by the Commission, which is below the rate of inflation, and
 - the international dimension of this work should be promoted by maintaining the line on 'Good governance in the area of tax' with appropriate funding;
19. Calls on all institutions during the 2013 budgetary procedure to collaborate efficiently and constructively allowing for a smooth budgetary procedure and the establishment of a budget for 2013 within the deadlines set out by the Treaty on the Functioning of the European Union.

RESULT OF FINAL VOTE IN COMMITTEE

Date adopted	3.9.2012
Result of final vote	+: 37 -: 2 0: 2
Members present for the final vote	Jean-Paul Basset, George Sabin Cutaş, Leonardo Domenici, Diogo Feio, Markus Ferber, Elisa Ferreira, Jean-Paul Gauzès, Sven Giegold, Sylvie Goulard, Liem Hoang Ngoc, Gunnar Hökmark, Othmar Karas, Wolf Klinz, Rodi Kratsa-Tsagaropoulou, Philippe Lambert, Werner Langen, Astrid Lulling, Hans-Peter Martin, Sławomir Witold Nitras, Ivari Padar, Alfredo Pallone, Anni Podimata, Antolín Sánchez Presedo, Edward Scicluna, Peter Simon, Peter Skinner, Ivo Strejček, Kay Swinburne, Sampo Terho, Marianne Thyssen, Ramon Tremosa i Balcells, Corien Wortmann-Kool, Pablo Zalba Bidegain
Substitute(s) present for the final vote	Marta Andreasen, Pervenche Berès, Sari Essayah, Vicky Ford, Ashley Fox, Danuta Jazłowiecka, Olle Ludvigsson, Marisa Matias, Nils Torvalds
Substitute(s) under Rule 187(2) present for the final vote	Andrew Duff