

WRITTEN QUESTION E-3432/09

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to the Commission

Subject: Reduction of national top-up payments to agricultural subsidies

Under the Copenhagen agreement, the option of national top-up payments was included in the accession treaty – which forms part of primary legislation – because farmers in the countries which joined the EU in 2004 were not allowed to receive 100% of the direct payments due to them until 2013, and this was a way of alleviating – not compensating for – their competitive disadvantage. Why, then, is the Commission, as the guardian of the Treaties, imposing on Member States which are in such difficulties an obligation which directly impairs the Member State's competitiveness within the common agricultural policy, and violates the freedom to provide subsidies accorded to the Member States in the accession treaty, thus hampering their economic recovery?

In accordance with Article 119 of the EC Treaty and with Regulation no. 332/2002, Hungary, soon followed by other Member States outside the euro zone, received from the European Union a macro-economic loan to alleviate their balance of payments difficulties. While this was a welcome development, at the same time the Commission concluded a Memorandum of Understanding with those Member States in which reference is made inter alia to public finance measures to be taken by the Member State concerned whereby the parties seek to improve the short-term conditions of the macro-economic balance. However, in the Supplemental Memorandum of Understanding concluded in March 2009 with the Hungarian government and central bank – promulgated in Hungary by government decree 67/2009 (IV.2) – there is now an obligation which, among the criteria for the third instalment of the loan, provides for the reduction of national top-up in EU agricultural subsidies.