



**COUNCIL OF  
THE EUROPEAN UNION**



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12451/12  
PRESSE 334

## **2013 EU budget: Council reconciles growth and austerity**

The Permanent Representatives Committee<sup>1</sup> endorsed today the draft Council's position on the 2013 EU draft budget, limiting the increase in payments to 2.79% compared to 2012 ([12279/12](#) + [ADD 1](#) + [ADD 2](#) + [12278/12](#) + [ADD 1](#) + [ADD 2](#) + [ADD 3](#)). It herewith confirmed the agreement reached in the Council's budget committee on the basis of a compromise text of the Cyprus presidency and paved the way for the formal adoption of the Council's position scheduled on 24 July.

The draft Council's position reconciles the necessity to avoid undue burden on national public finances in times of fiscal consolidation with the need for growth enhancing measures. It also takes due account of the fact that 2013 is the last year of the multiannual financial framework (MFF).

The most important payments' increase (+6.71%) is dedicated to heading 1 (sustainable growth), which is in line with the Europe 2020 strategy for jobs and growth. Particular emphasis is given to sub-heading 1b (cohesion) where the payments would increase by 8.07%, also in order to avoid similar shortfalls as last year. Sub-heading 3a (freedom, security and justice) which includes the cooperation in the fields of external borders and migration constitutes another priority of the Council (+5%). The payments advocated by the Council under the other headings and sub-headings either increase clearly below the inflation forecast<sup>2 3</sup> or decrease compared to their 2012 level<sup>4</sup>.

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<sup>1</sup> The Permanent Representatives Committee is composed of the ambassadors of the 27 EU member states. Its role is to prepare decisions of the Council.

<sup>2</sup> [http://ec.europa.eu/economy\\_finance/publications/european\\_economy/2012/pdf/ee-2012-1\\_en.pdf](http://ec.europa.eu/economy_finance/publications/european_economy/2012/pdf/ee-2012-1_en.pdf), page 10.

<sup>3</sup> This is true for sub-heading 1a (competitiveness) with +1.5%, heading 2 (natural resources) with +0.77%, and heading 5 (administration) with + 1.47%.

<sup>4</sup> This concerns sub-heading 3b (citizenship) with -4.5% and heading 4 (EU as a global player) with -9.75%.

# **P R E S S**

In absolute figures, the draft Council's position on the draft budget for 2013 amounts to

- **EUR 132.70 billion in payments**, corresponding to 0.99% of the EU's Gross National Income (GNI), and
- **EUR 149.78 billion in commitments**, leaving a margin of EUR 3.58 billion under the overall ceiling of the current MFF.

Compared to 2012, the draft Council's position provides for an increase of EUR 3.61 billion in payments and EUR 1.88 billion in commitments.

Compared to the amounts proposed by the Commission, the Council wants to decrease the payments by a total of EUR 5.23 billion and the commitments by EUR 1.15 billion.

The reductions have been agreed upon on the basis of past and current budget implementation and realistic absorption capacities.

Once it has been formally adopted, the Council's position will serve as a mandate to the Cyprus presidency to negotiate next year's EU budget with the European Parliament, which is expected to adopt its amendments to the Council's position at the end of October. If the Council's and the Parliament's positions diverge, a three-week conciliation period will start on 24 October (until 13 November included) (*see flow-chart in the annex*).

A summary of the draft Council's position is set out in the table below:

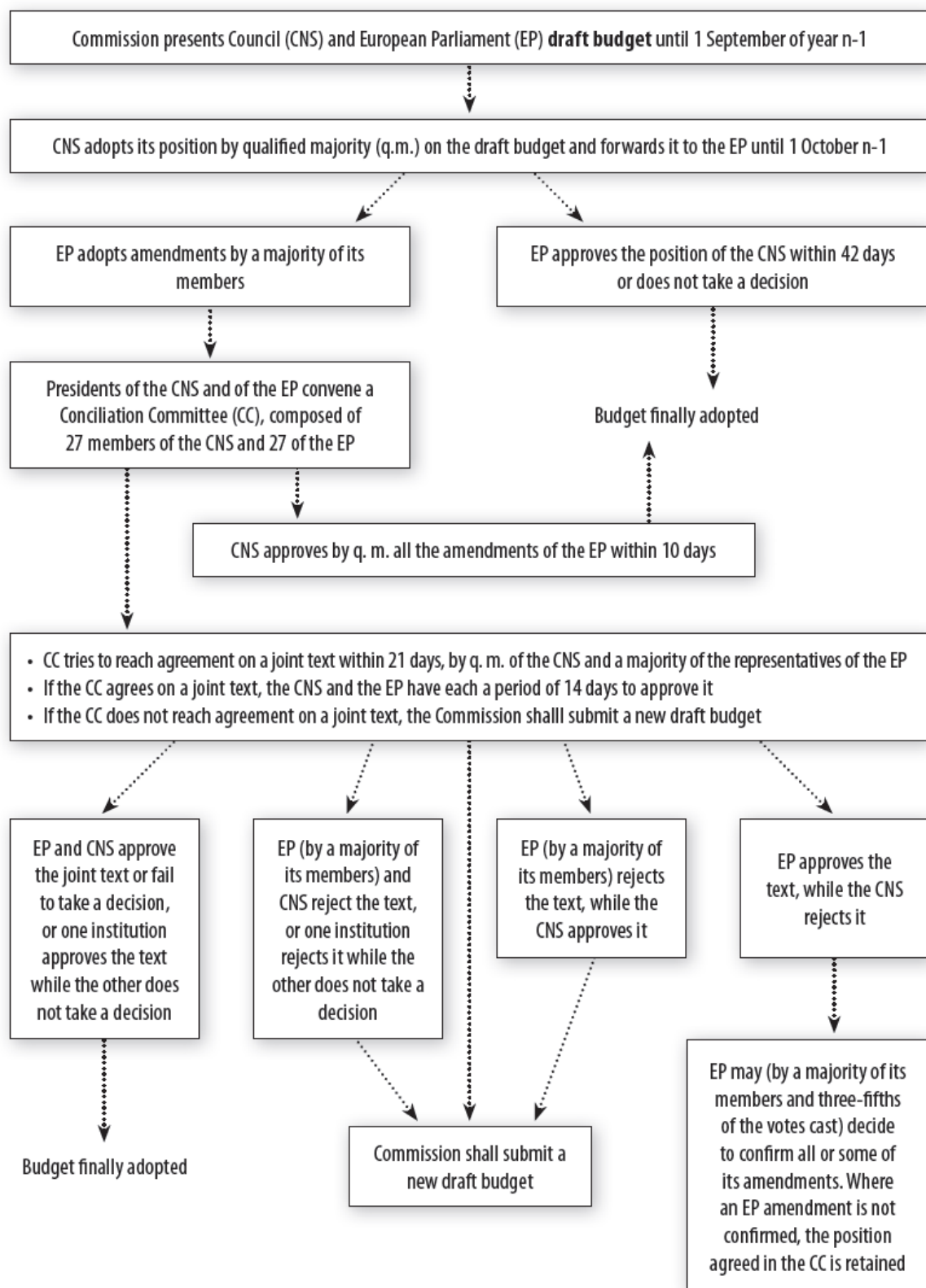
(in EUR)

Heading	Council's position		Difference from DB 2013 (amount)		Difference from budget 2012 (AB 1 to 3 included) (%)	
	c/a	p/a	c/a	p/a	c/a	p/a
<b>1. SUSTAINABLE GROWTH</b>	<b>70 054 447 793</b>	<b>59 030 453 016</b>	<b>-476 549 090</b>	<b>-3 497 392 392</b>	<b>+2.79</b>	<b>+6.71</b>
1a. Competitiveness for growth and employment	15 562 898 756	11 655 162 155	-469 149 090	-1 897 649 090	+1.04	+1.50
1b. Cohesion for growth and employment	54 491 549 037	47 375 290 861	-7 400 000	-1 599 743 302	+3.30	+8.07
<b>2. PRESERVATION AND MANAGEMENT OF NATURAL RESOURCES</b>	<b>59 971 444 488</b>	<b>57 474 312 204</b>	<b>-336 066 928</b>	<b>-490 566 928</b>	<b>-0.01</b>	<b>+0.77</b>
of which Market related expenditure and direct aids	43 795 348 610	43 776 431 204	-335 000 000	-336 500 000	-0.40	-0.23
<b>3. CITIZENSHIP, FREEDOM, SECURITY AND JUSTICE</b>	<b>2 057 175 617</b>	<b>1 514 079 543</b>	<b>-24 465 583</b>	<b>-60 520 583</b>	<b>-1.25</b>	<b>+0.78</b>
3a. Freedom, security and justice	1 377 280 417	877 353 593	-14 946 783	-50 974 783	+0.69	+5.00
3b. Citizenship	679 895 200	636 725 950	-9 518 800	-9 545 800	-4.98	-4.50
<b>4. THE EU AS A GLOBAL PLAYER</b>	<b>9 295 470 596</b>	<b>6 277 295 936</b>	<b>-171 698 115</b>	<b>-1 034 292 115</b>	<b>-1.17</b>	<b>-9.75</b>
<b>5. ADMINISTRATION</b>	<b>8 398 233 899</b>	<b>8 399 333 899</b>	<b>-146 184 597</b>	<b>-146 184 597</b>	<b>+1.43</b>	<b>+1.47</b>
<b>GENERAL TOTAL</b>	<b>149 776 772 393</b>	<b>132 695 474 598</b>	<b>-1 154 964 313</b>	<b>-5 228 956 615</b>	<b>+1.27</b>	<b>+2.79</b>
Appropriations as % of GNI:	1.12 %	0.99 %				

DB = draft budget (of the Commission)

AB = amending budget

## Budget procedure Lisbon Treaty (Art. 314)



CC = Conciliation Committee

CNS = Council

EP = European Parliament

q.m. = qualified majority