

COMMISSION OF THE EUROPEAN COMMUNITIES

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**GENERAL BUDGET EXPENDITURE, FINANCING AND BALANCES AS
BROKEN DOWN BY MEMBER STATE: REVISED ESTIMATES FOR 1980**

(Commission Staff Paper)

General Budget Expenditure, Financing and Balances as broken down
by Member State: Revised Estimates for 1980

A. GENERAL REMARKS

In preparing the two Tables 1a and 1b the same method was used as for the Reference Paper of 12 September 1979¹ and for the revised tables of 1979 accounts recently established².

It would seem unnecessary to describe yet again the method employed, which has been summarized very recently in the paper relating to 1979.

It should just be noted that in Table 1a the MCAs paid by exporting Member States on behalf of importing Member States have been re-charged to the latter, as the financial mechanism provides, moreover. Table 1b gives the results before re-charging of the MCAs, for information purposes.

The figure taken for total appropriations for payments for 1980 is the one given in the "new budget proposal from the Commission" of 29 February 1980. That figure is substantially lower than the one used in the estimate of 12 September 1979, which was taken from the preliminary draft budget of 15 June 1979 (including the First Letter of Amendment). There are two reasons for the figure being lower:

- firstly, the FEOGA Guarantee appropriations are lower, since they allow for the budgetary implications of all the Commission's agricultural proposals, i.e. they take into account, among other things, the probable effects of the co-responsibility levy on milk as from 1 April;
- secondly, the payment appropriations for budget headings where a distinction is made between commitment appropriations and payment appropriations (differentiated appropriations) have been closely re-examined and re-calculated, so as to bring the estimate as close as possible to the actual future situation,

¹ Doc. 652 final, 12 September 1979

² Doc. 654 final, 22 February 1980

as desired by both the budget authority and the Commission itself. This was made easier by the fact that when it came to drawing up the new budget proposal the results of implementation of the 1979 budget were already known.

This lower figure for total appropriations for payments being now taken as the basis for the calculation, Member States' shares in expenditure for the various sectors were revised in the light of what happened in 1979. On the financing side, the Member States' shares correspond to the estimates in the new budget proposal.

The trends revealed in Table 1a confirm to a very large extent those shown in the corresponding tables in the Reference Paper. The fact that France has moved from a slightly "loss" position to a slightly "profit" position does not invalidate this general finding, the amounts in question being, as it happens, quite small. All the other Member States remain in the same positions as before, whether "profit" or "loss". As for the three Member States with a GNP lower than the Community average, namely Italy, the United Kingdom and Ireland, this approach shows Ireland's favourable position to have improved in relation to the original estimate; Italy's, which was also favourable, becomes slightly less so while still remaining distinctly on the profit side; the United Kingdom's is worse than predicted in the original estimate.

B. ALLOWANCE MADE FOR THE SHARP DROP IN 1980 TOTAL APPROPRIATIONS FOR PAYMENTS

The exceptional drop in total appropriations for payments noted above means that to apprehend satisfactorily what the actual situation in 1980 will be it will no longer be possible purely and simply to apply the original method: because of intensive use both of appropriations carried over and of new appropriations, the actual payment figures for 1980 will be distinctly higher than the new appropriations alone.

The size of the requisite correction is not easy to determine, since the extent to which total available appropriations - new and carried over - are used depends, among other things, on the "absorptive capacity" of the national administrations.

Some attempt can be made, however, to estimate Category II-Structural Funds, where, as against a slight reduction in total appropriations for commitments amounting to some 100 m EUA (in relation to the figure given in the Reference Paper), the new budget proposal for 1980 has a reduction in total appropriations for payments of almost 400 m EUA.

Since the sums being carried over from 1979 to 1980 are now known, it is possible to arrive at an approximate estimate of the total payments that will actually be made in 1980, that is, out of appropriations for the current year and those carried over.

Assuming, with regard to the three Funds (Social Fund, FEOGA-Guidance, ERDF), that

- the new payment appropriations and those carried over from 1979 will be used up 100 %¹,

- FEOGA-Guidance appropriations carried over from periods prior to 1977 will produce payments amounting to 150 m EUA in 1980 (a similar amount to that paid out in 1979, the level of utilization being 35%),

the total sum for payments relating to Category II (including the 200 m EUA for EMS interest subsidies) will amount to approximately 2,200 m EUA in 1980.

It follows that the results of the original method need to be raised by some 900 m EUA².

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¹ Even if this were not to be the case for FEOGA Guidance Section, the effect for the purposes of this exercise, would be negligible.

² The increase corresponds - in round figures - to the difference between the 2,200 m EUA referred to and the revised total appropriations for payments for Category II (1,307 m EUA).

This additional, exceptional 1980 expenditure can be apportioned, roughly, among the Member States on the basis of their adjusted shares in Fund payments. The results this gives is that the expenditure revised as shown in Tables 1a and 1b should be increased by the following amounts:

230 m EUA approx.	- Italy	60-70 m EUA	- Ireland
210-220 m EUA	- United Kingdom	25-30 m EUA	- Netherlands
180 m EUA	- France	20-25 m EUA	- Belgium and Denmark
140 m EUA	- Germany	1- 2 m EUA	- Luxembourg

Since the payments out of appropriations carried over have already been financed previously by the Member States (their shares in them in fact varying), this additional expenditure will not entail additional amounts being paid in by them in 1980. The payments could be expected to produce a corresponding improvement in the balances, which would derive from drawing upon assets shown in the Commission's accounts.

Table 1a: 1980 expenditure, receipts and balances as broken down by Member State
 Original estimates¹ and revised estimates
 (MCAs paid by exporting Member States on behalf of importing Member States
 re-charged to importing Member States)

COUNTRY	Expenditure Cat. I-V		Financing		Balance (Expend.-Financ.)	
	Estimate		Estimate		Estimate	
	original	revised	original	revised	original	revised
	1	2	3	4	5	6
A. In m EUA						
a	1,460	1,320 ²	922	851	+ 538	+ 469
DK	651	715	368	327	+ 283	+ 388
D	3,471	2,994	4,578	4,110	- 1,107	- 1,116
F	2,917	2,655	3,037	2,614	- 120	+ 41
IRL	573	626	137	124	+ 436	+ 502
I	2,621	2,395	1,750	1,641	+ 871	+ 754
L	312	303 ³	20	16.5	+ 292	+ 287
N	1,629	1,555	1,270	1,197	+ 359	+ 358
UK	1,561	1,225	3,113	2,908	- 1,552	- 1,683
TOTAL	15,195	13,788	15,195	13,788	0	0
B. As %						
B	9.6	9.6	6.07	6.17	+ 3.5	+ 3.4
DK	4.3	5.2	2.42	2.37	+ 1.9	+ 2.8
D	22.8	21.7	30.12	29.81	- 7.3	- 8.1
F	19.2	19.2	19.99	18.96	- 0.8	+ 0.3
IRL	3.8	4.5	0.90	0.90	+ 2.9	+ 3.6
I	17.3	17.4	11.52	11.90	+ 5.8	+ 5.5
L	2.0	2.2	0.13	0.12	+ 1.9	+ 2.1
N	10.7	11.3	8.36	8.68	+ 2.3	+ 2.6
UK	10.3	8.9	20.49	21.09	- 10.2	- 12.2
TOTAL	100	100	100	100	0	0

¹ Estimates in the Reference Paper on Budgetary Questions, COM (79) 462 final, 12 September 1979

² Including 552 m EUA for EC administrative expenses

³ Including 281 m EUA for EC administrative expenses

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Table 1b: 1980 expenditure, receipts and balances as broken down by Member State
Original estimates¹ and revised estimates
(MCAs not re-charged)

COUNTRY	Expenditure Cat. I-V		Financing		Balance (Expend.-Financing)	
	Estimate		Estimate		Estimate	
	original	revised	original	revised	original	revised
	1	2	3	4	5	6
A. In m EUA						
B	1,472	1,330 ²	922	851	+ 550	+ 479
DK	738	755	368	327	+ 370	+ 428
D	3,530	3,037	4,578	4,110	- 1,047	- 1,073
F	3,018	2,714	3,037	2,614	- 19	+ 100
IRL	650	664	137	124	+ 513	+ 540
I	2,484	2,299	1,750	1,641	+ 734	+ 658
L	312	303 ³	20	16.5	+ 292	+ 287
N	1,692	1,591	1,270	1,197	+ 422	+ 394
UK	1,299	1,095	3,113	2,908	- 1,814	- 1,813
TOTAL	15,195	13,788	15,195	13,788	0	0
B. As %						
B	9.7	9.7	6.07	6.17	+ 3.6	+ 3.5
DK	4.9	5.5	2.42	2.37	+ 2.5	+ 3.2
D	23.2	22.0	30.12	29.81	- 6.9	- 7.8
F	19.9	19.7	19.99	18.96	- 0.1	+ 0.7
IRL	4.3	4.8	0.90	0.90	+ 3.4	+ 3.9
I	16.3	16.7	11.52	11.90	+ 4.8	+ 4.8
L	2.1	2.2	0.13	0.12	+ 2.0	+ 2.1
N	11.1	11.5	8.36	8.68	+ 2.7	+ 2.8
UK	8.5	7.9	20.49	21.09	- 12.0	- 13.2
TOTAL	100	100	100	100	0	0

¹ Estimates in the Reference Paper on Budgetary Questions, COM(79) 462 final, 12 September 1979

² Including 552 m EUA for EC administrative expenses

³ Including 281 m EUA for EC administrative expenses