



European Commission

BUDGET 2005

key findings

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Key signals of 2005 EU expenditure

- Relatively moderate increase of EU budget
- 2005 EU budget execution is historically high:
 - with better monitoring and better budgetary planning
 - and the constant modernisation of EU accounting
- The biggest Member States remain main recipients
- New MS' share gradually progresses

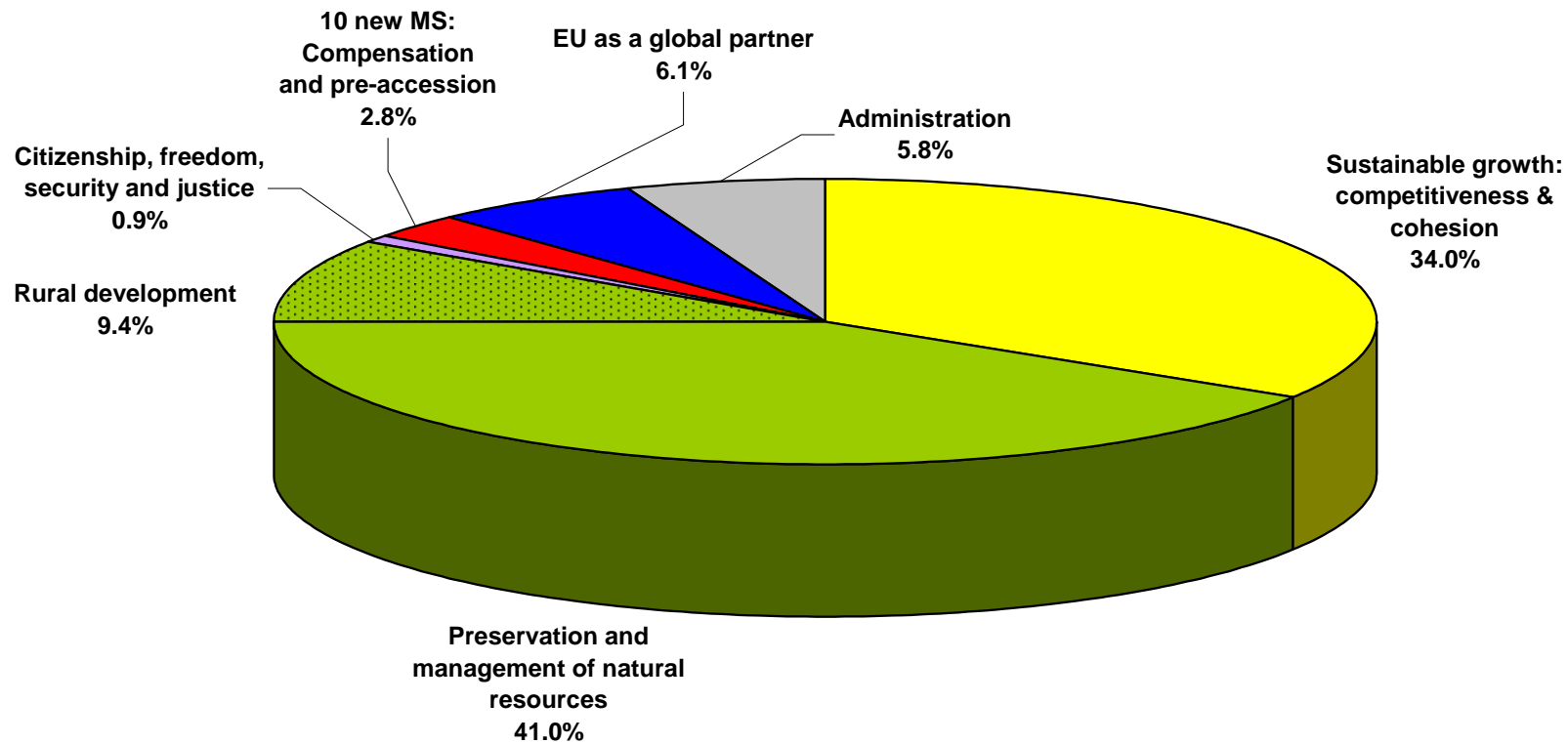
Changes of EU expenditure



	Size of the EU budget (€ billion)	Change to previous year	Size of the EU budget (% of EU GNI)	Change to previous year
2005	104.8	+ 4.7 %	0.97%	+ 0.01 %
2004	100.1	+ 10.6 %	0.96%	0.00 %



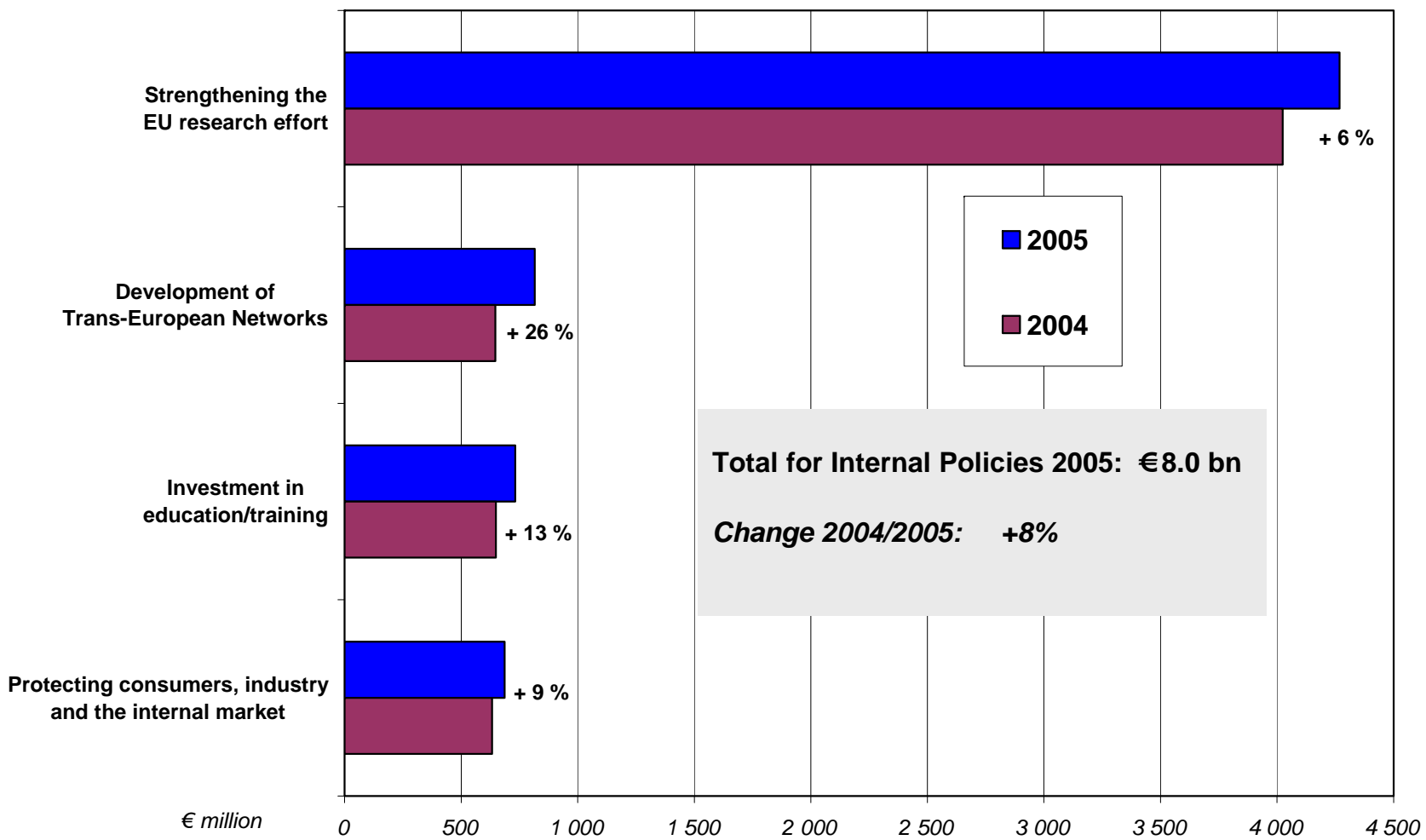
How was the money spent?



Total: € 104.8 billion

More money for economic progress

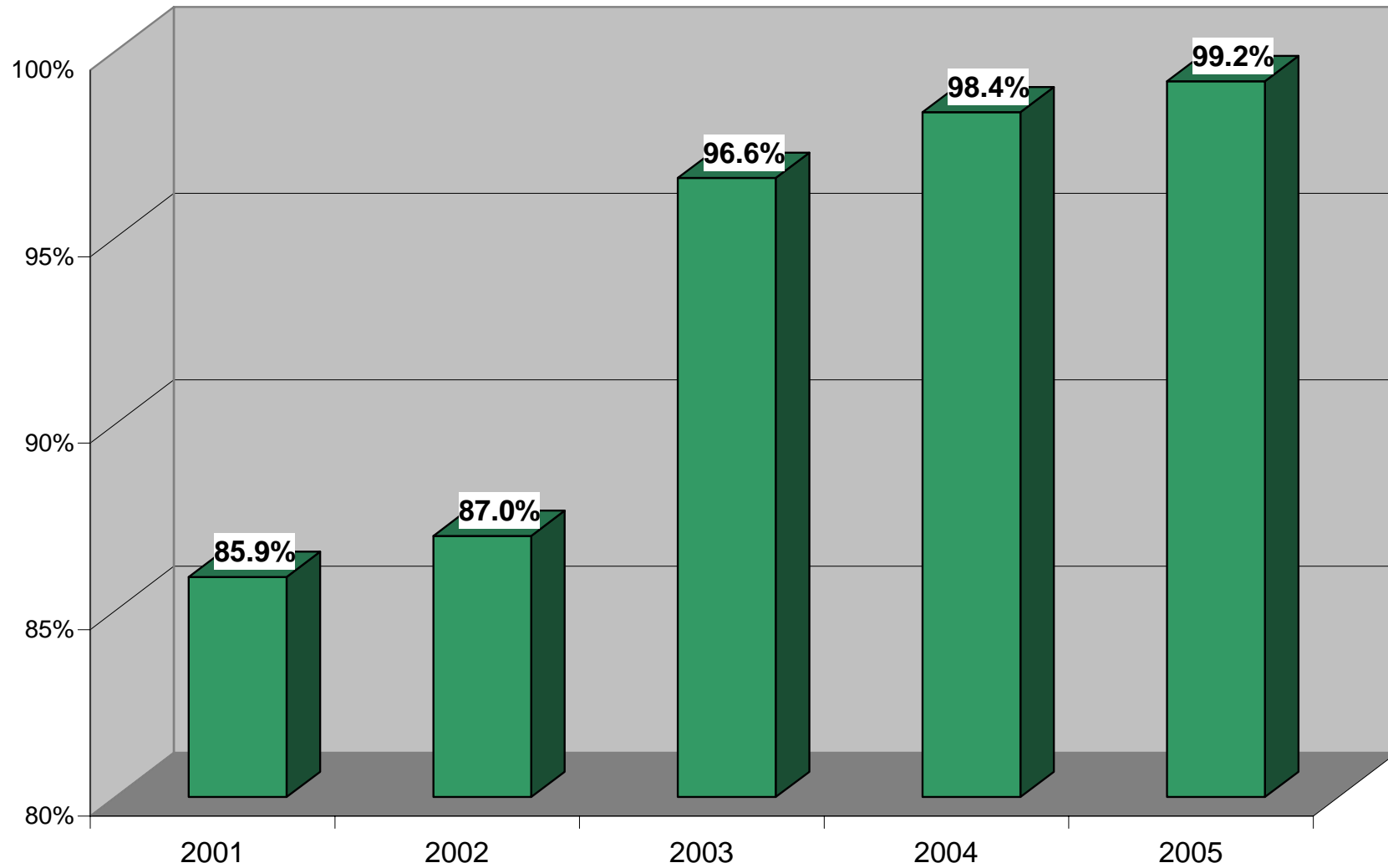
Changes in expenditure breakdown 2004/2005



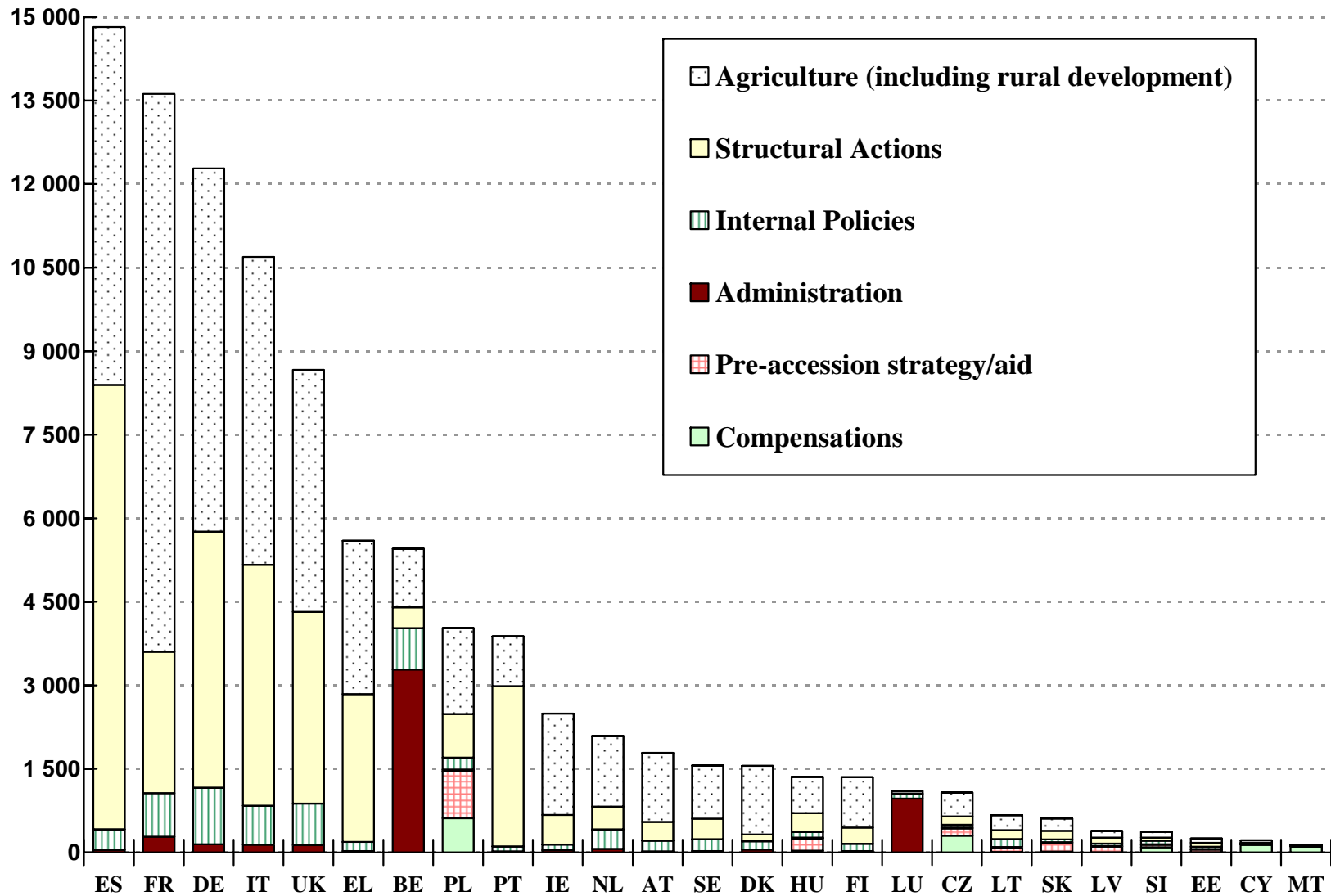
The relative progress is evident, but the amounts are still not sufficient enough



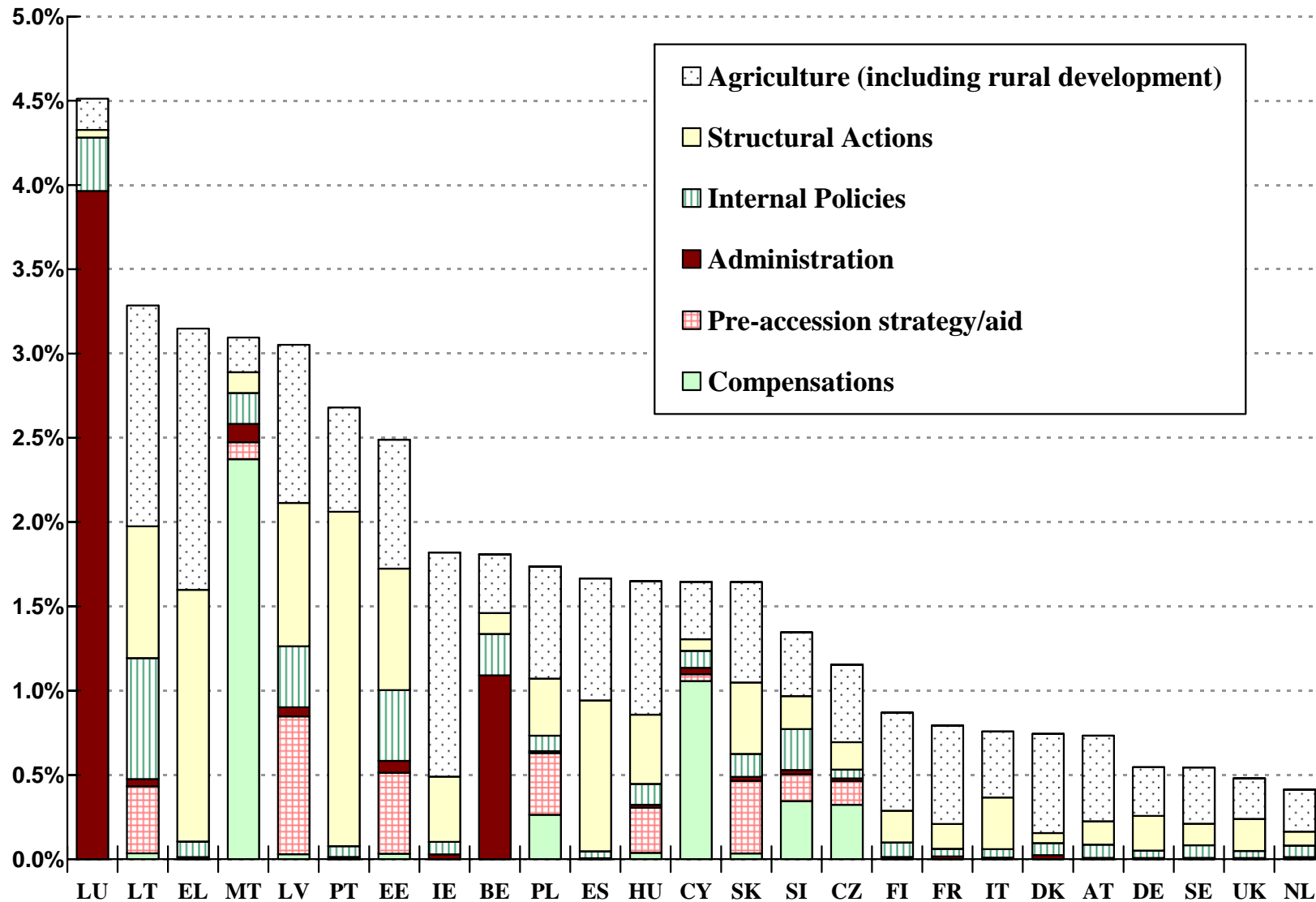
2005 EU budget execution at historical high



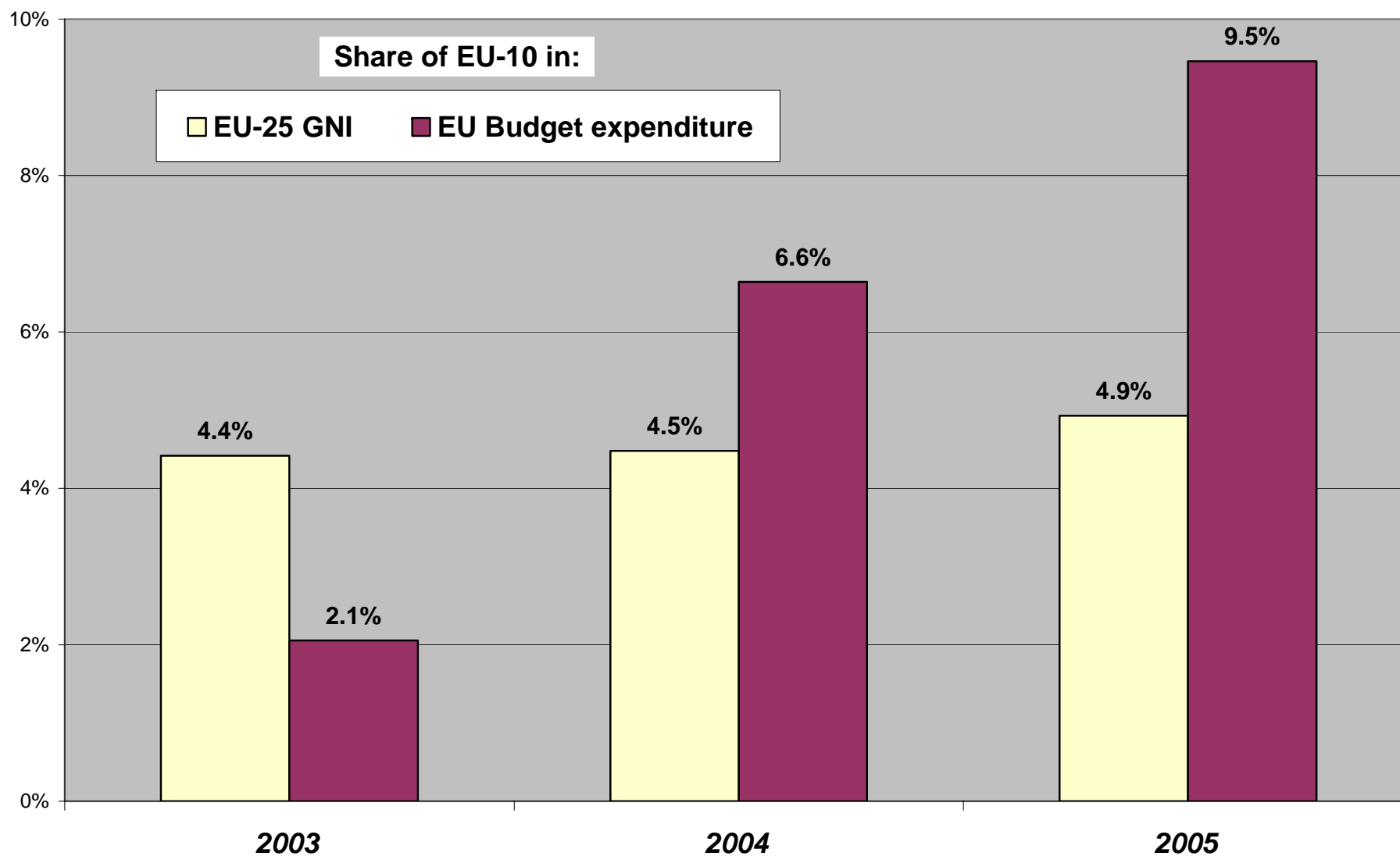
Biggest MS are main recipients *(in million €)*



Biggest recipients in relative terms *(in % of GNI)*



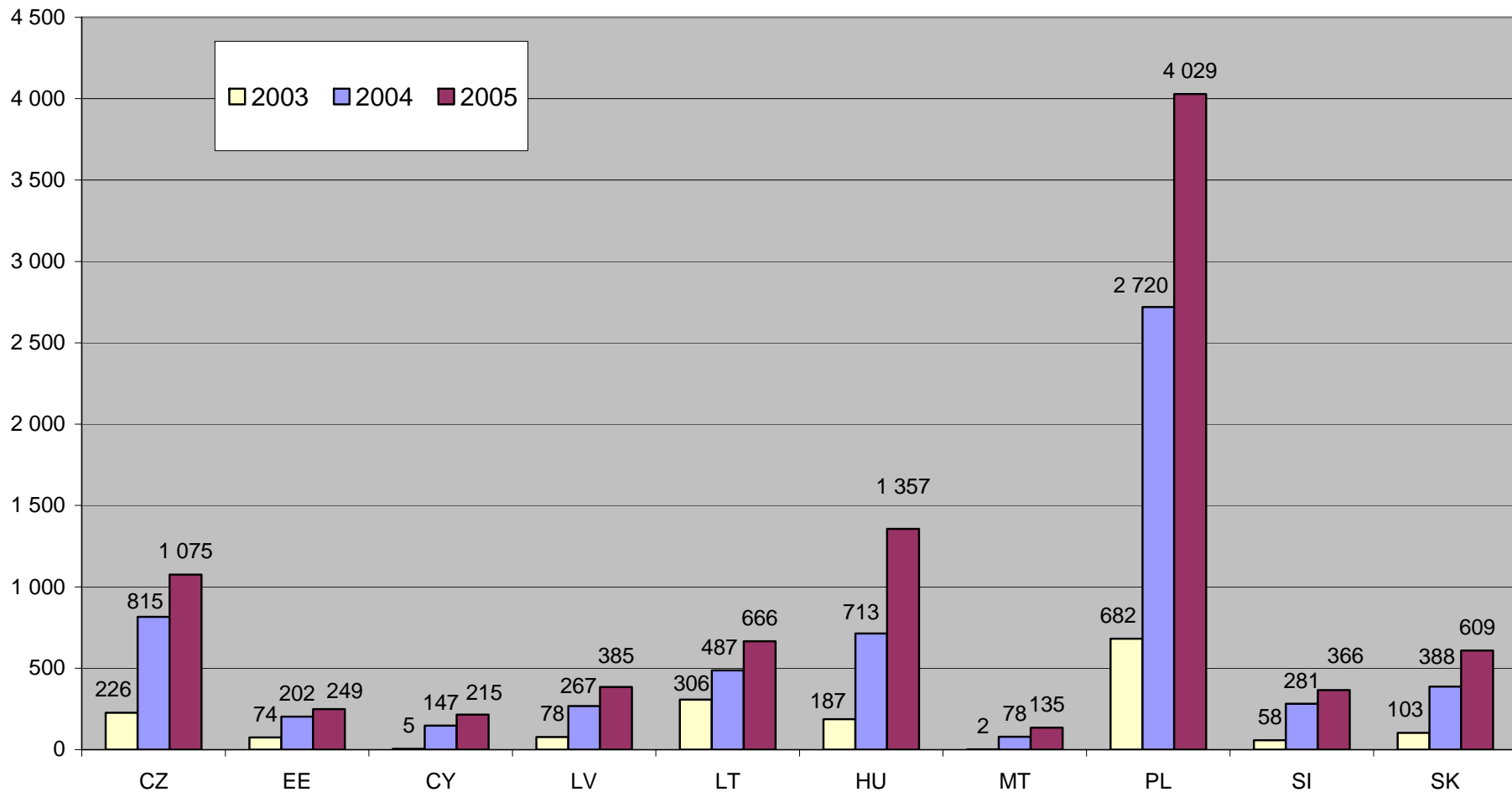
EU-10 is gradually catching up



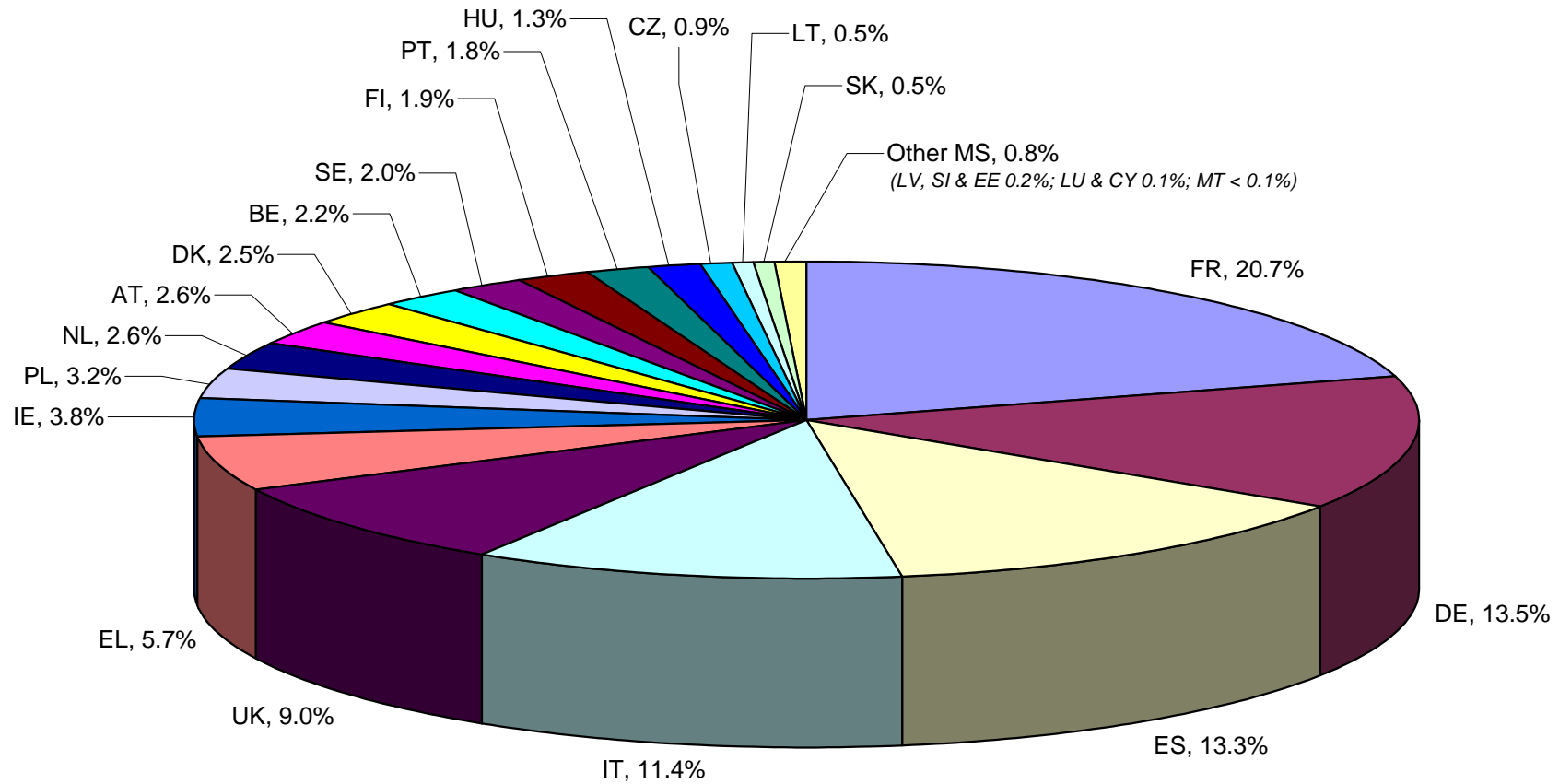


New Member States benefit more in 2005

EU-10 allocated expenditure 2003-2005
(EUR million)



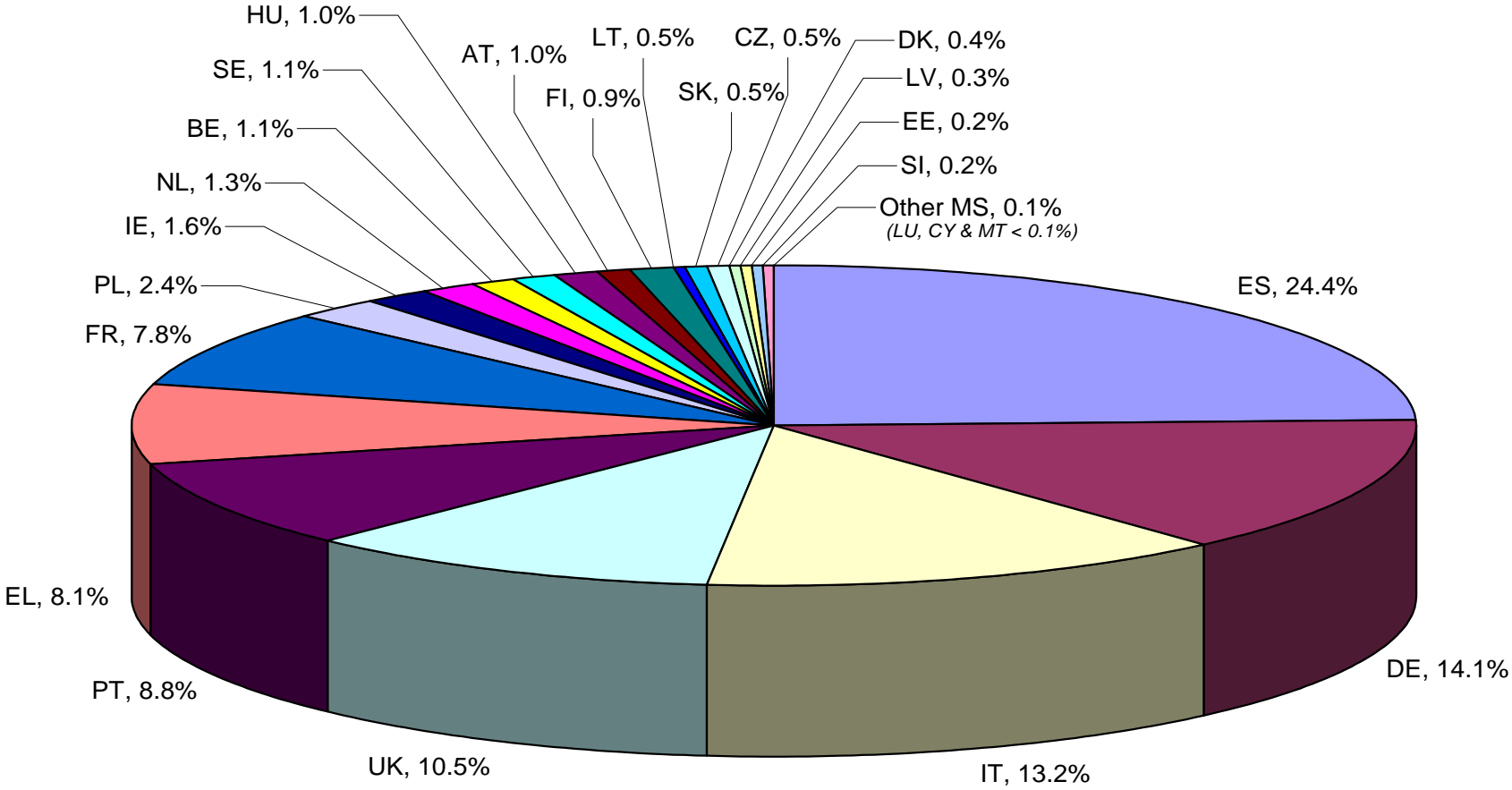
Agriculture - Main beneficiaries remain the same




Total: € 48.5 billion



Cohesion policy - still in transition



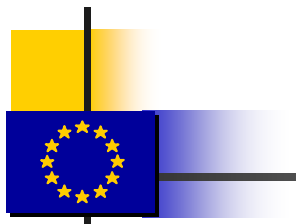
Total: € 32.8 billion



Cohesion in EU-10: necessity for improvement

Absorption of structural and cohesion funds in EU-10 May 2004 – September 2006

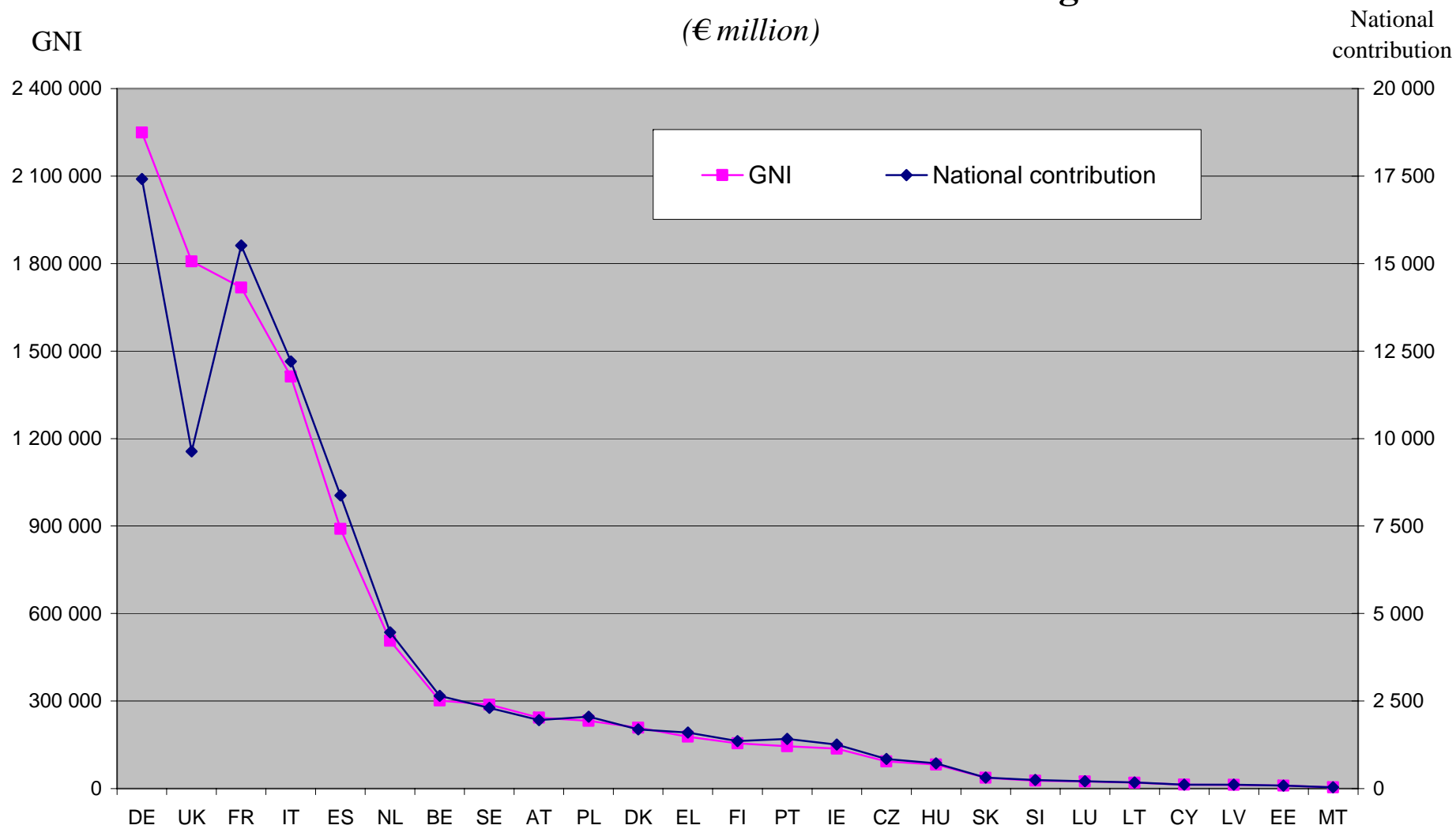
<i>(in million €)</i>	(1) Commitments	(2) Payments	(2) / (1)
EU-10	21 494.5	5 622.8	26.2%
Czech Republic	2 224.3	521.9	23.5%
Estonia	604.4	177.7	29.4%
Cyprus	93.6	18.1	19.3%
Latvia	1 092.8	274.8	25.2%
Lithuania	1 380.0	353.9	25.6%
Hungary	2 945.9	959.0	32.6%
Malta	86.4	22.7	26.2%
Poland	11 015.2	2 701.5	24.5%
Slovenia	415.5	141.9	34.1%
Slovakia	1 636.6	451.6	27.6%



Contributions match prosperity

GNI vs. National contribution to the EU budget - 2005

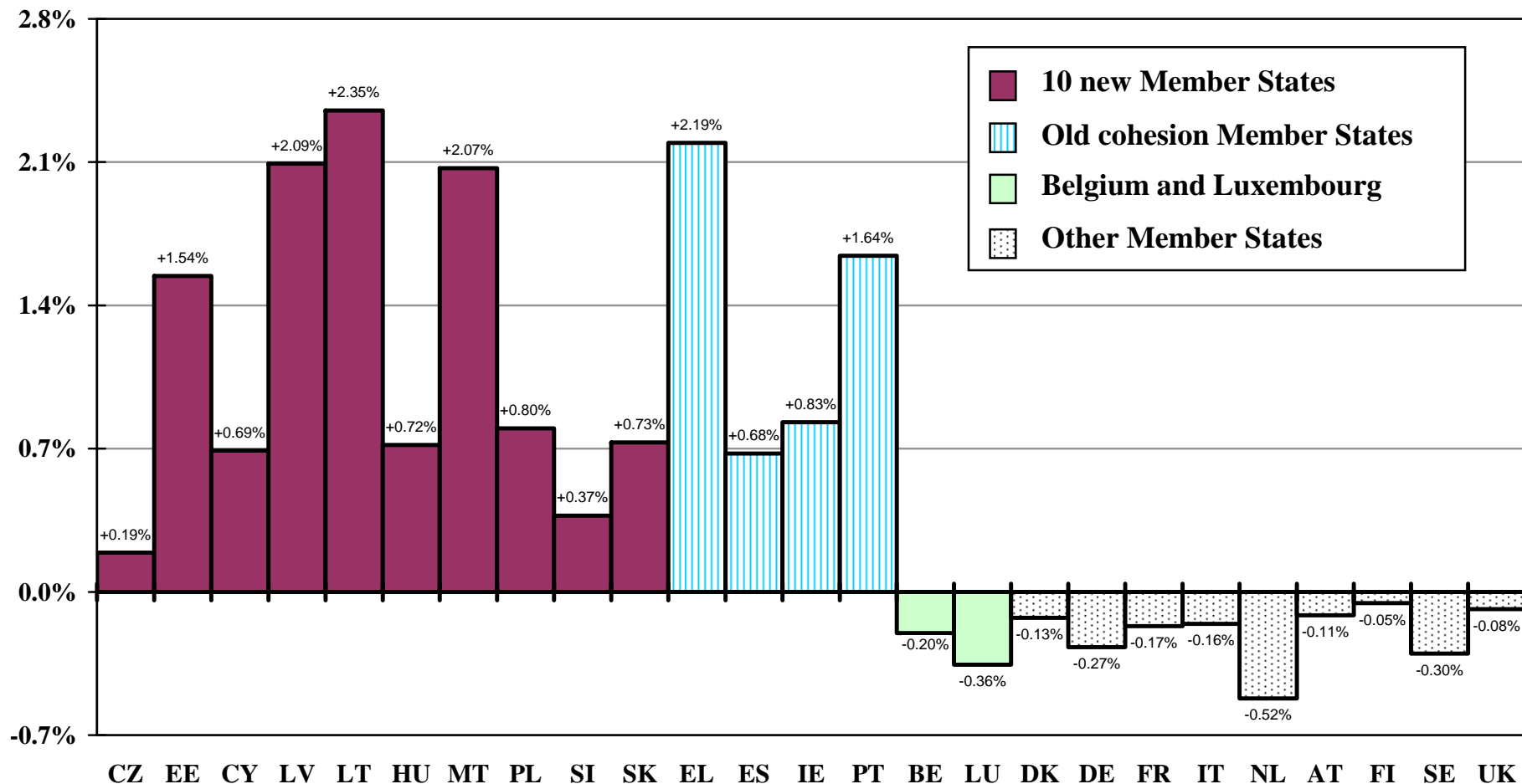
(€ million)





Benefits significantly outweigh costs

Operating budgetary balances in 2005, in % of member State's GNI
(excluding EU administrative expenditure and Traditional Own Resources)



Note: Belgium and Luxembourg have a negative operating budgetary balance, since this calculation excludes EU administrative expenditure.



Budget 2005: achievements and lessons

- Efforts to improve planning and monitoring have paid-off: execution is higher than ever before;
- Investing in accounting reform brings initial dividends: efficiency of budgetary control increased, risk of error minimised;
- There are unused resources for Member States to maximize benefits of membership;
- EU-10 are still not full participants of all policies and programmes: although they received more than in 2004, their share remains low;
- Increase of spending for competitiveness symbolically signals EU's turn towards progress, but the speed is far from being satisfactory;
- Substantial reform of EU finance is a vital necessity;