

Council press release on the adoption at first reading of the 2007 draft budget (14 July 2006)

Caption: On 14 July 2006, in accordance with the annual budgetary procedure and the pragmatic timetable, the Council adopts at first reading the draft general budget for 2007.

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http://www.consilium.europa.eu/ueDocs/cms_Data/docs/pressData/en/ecofin/90581.pdf.

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http://www.cvce.eu/obj/council_press_release_on_the_adoption_at_first_reading_of_the_2007_draft_budget_14_july_2006-en-808cf048-64e5-4cc2-9778-28b82809bf1f.html

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Press Release
2742nd Council Meeting
Economic and Financial Affairs
Budget
Brussels, 14 July 2006

President **Ms Ulla-Maj WIDEROOS**
 Coordinate Minister for Finance of Finland

Main Results of the Council

The Council agreed by qualified majority on the draft general budget for 2007 at first reading after a conciliation meeting with the European Parliament and the Commission. The adoption under "A" items - without discussion - of the draft budget will take place at the General Affairs and External Relations Council on 17 July.

The Commission submitted a preliminary draft budget in spring 2006.

As usual, this draft budget will be examined and amended by the European Parliament at first reading in autumn 2006. The Commission will submit a customary "ad hoc" Letter of Amendment in autumn before the second reading by the Council, scheduled for November 2006.

Contents¹

Participants

Items debated

Outcome of the conciliation meeting with the European Parliament establishment of the draft budget of the European Communities for the financial year 2007

Other business

– Revision of the Financial Regulation

Other items approved

None

Participants

The Governments of the Member States and the European Commission were represented as follows:

Belgium:

Mr Jan DE BOCK Permanent Representative

Czech Republic:

Mr Bohdan HEJDUK Director General, Ministry of Finance

Denmark:

Mr Claus GRUBE Permanent Representative

Germany:

Mr Thomas MIROW State Secretary, Federal Ministry of Finance

Estonia:

Mr Väino REINART Permanent Representative

Greece:

Mr Petros DOUKAS State Secretary for Economic Affairs and Finance

Spain:

Mr Carlos BASTARRECHE Permanent Representative

France:

Mr Pierre SELLAL	Permanent Representative
Ireland:	
Mr Bobby MCDONAGH	Permanent Representative
Italy:	
Mr Rocco Antonio CANGELOSI	Permanent Representative
Cyprus:	
Mr Stavros MICHAEL	Director, Ministry of Finance
Latvia:	
Mrs Irēna KRŪMANE	State Secretary, Ministry of Finance
Lithuania:	
Mr Jaunius SIMONAVIČIUS	Deputy Minister for Finance
Luxembourg:	
Mrs Martine SCHOMMER	Permanent Representative
Hungary:	
Mr Tamas KATONA	Political State Secretary, Ministry of Finance
Malta:	
Mr Tonio FENECH	Parliamentary Secretary, Ministry of Finance
Netherlands:	
Mr Tom de BRUIJN	Permanent Representative
Austria:	
Mr Alfred FINZ	State Secretary, Federal Ministry of Finance
Poland:	
Mr Jaroslaw PIETRAS	State Secretary, Ministry of Finance
Portugal:	
Mr Alvaro MENDONCA E MOURA	Permanent Representative
Slovenia:	
Mr Igor SENČAR	Permanent Representative
Slovakia:	
Mr Maroš ŠEFČOVIČ	Permanent Representative
Finland:	
Mrs Ulla-Maj WIDEROOS	Coordinate Minister for Finance
Mr Rauno LÄMSÄ	Counsellor
Sweden:	
Mr Jens HENRIKSSON	State Secretary, Ministry of Finance
United Kingdom:	
Mr Ed BALLS	Economic Secretary to the Treasury

Commission:

Mrs Dalia GRYBAUSKAITE	Member
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Other participants:

Mr Janusz LEWANDOWSKI	Chairman of the Committee on Budgets of the European Parliament
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The Governments of the Acceding States were represented as follows:

Bulgaria:

Mr Lubomir DATZOV	Deputy Minister for Finance
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Romania:

Mrs Raluca ZAMFIRESCU

Director, Ministry of Public Finance

Items debated**Outcome of the conciliation meeting with the European Parliament**

Before examining and establishing the draft budget for the financial year 2007, the Council held its customary meeting with a delegation from the European Parliament in the framework of the Interinstitutional Agreement. The delegation was led by Mr Janusz LEWANDOWSKI, Chairman of the Committee on Budgets, and comprised:

Mr James ELLES (Rapporteur for Section III (Commission) of the 2007 budget), Louis GRECH (Rapporteur for Other Sections of the 2007 budget), Mr Reimer BÖGE, Ms Ingeborg GRÄBLE, Ms Catherine GUY-QUINT, Ms Anne JENSEN, Mr Jan MULDER, Mr Giovanni PITTELLA, Mr Paul RÜBIG, Mr Antonis SAMARAS, Mr Esko SEPPÄNEN, Mr László SURJÁN, Ms Helga TRÜPEL, Mr Kyösti VIRRANKOSKI and Mr Ralf WALTER, members of the European Parliament.

Ms Dalia GRYBAUSKAITĖ, member of the European Commission, took part in the conciliation meeting.

The conciliation meeting, which had been prepared by a trialogue on 10 July 2006 covered the general outline of the 2007 budget and the following specific items related to the Budget 2007:

– Agriculture:

The European Parliament and the Council agreed to resume examination of agricultural expenditure on the basis of the Letter of Amendment to be presented by the Commission in the autumn.

– International fisheries agreements:

The European Parliament and the Council agreed to resume discussion of this question in November on the basis of the Letter of Amendment that the Commission would be submitting in the autumn.

– Common Foreign and Security Policy (CFSP):

The European Parliament and the Council will aim at reaching an agreement on the amount of the CFSP budget for 2007 in November at the latest, under the provisions of the Inter Institutional Agreement.

– Pilot Projects and Preparatory Actions :

The Council took note of the specific comments made by the European Parliament and the Commission on the Council's proposals and stated that the negotiations would continue.

– Administrative expenditure (heading 5):

The Council confirmed two declarations on "productivity gains for the years 2007-2013" including the freezing of posts following retirement and on "Recruitment in relation with the 2004 enlargement" and the

planned deletion of 500 posts for the Commission by 2010.

Establishment of the draft budget of the European Communities for the financial year 2007

(see documents 11277/06 + ADD1, 11278/06 + ADD1, ADD2)

After the meeting with the European Parliament, and on the basis of the preparatory work done by the Permanent Representatives Committee and during the conciliation meeting with the European Parliament, the Council confirmed by a qualified majority the agreement reached by the Permanent Representatives Committee on the draft general budget for 2007 and its declarations as recorded in documents 11277/06 + ADD1 and 11278/06 + ADD1 and ADD2.

The Council gives a mandate to the Presidency, assisted by the General Secretariat of the Council, to establish budget documents and forward them to the European Parliament in accordance with the planned timetable.

The draft budget will be formally adopted under "A" item by the General Affairs and External Relations Council on 17 July.

The **PDB** 2007 amounts to:

- EUR 126 824 088 852 in **commitment** appropriations;
- EUR 116 418 093 086 in **payment** appropriations.

Compared with the 2006 budget, these amounts represent a 4.6 % increase in commitment appropriations and a 3.9 % increase in payment appropriations. The budgetary procedure for 2007 will be marked by two important elements, on the one hand the new Financial Perspective for 2007-2013, and on the other hand the forthcoming accession of two countries to the EU to be confirmed. It must be noted that new headings replacing the old classification, have been set up in the financial framework 2007-2013.

The 2007 draft budget was drawn up by the Council on the basis of the EU of 27. The draft Budget at first reading amounted to:

- **EUR 125 755 695 132 in commitment appropriations**
- **EUR 114 612 819 366 in payment appropriations.**

Compared with the 2006 budget, these amounts represent a 3.68 % increase in commitment appropriations and a 2.26 % increase in payment appropriations. Compared with the PDB 2007, these amounts represent a 0.84 % decrease in commitment appropriations and a 1.55 % decrease in payment appropriations.

A summary of the outcome of proceedings is given in the table below:

[Table]

Other business

– Revision of the Financial Regulation

In response to an initiative of the European Parliament, the Council reaffirmed the importance of finalising the Financial Regulation in good time, restated that it was the Council's intention to do its best and reiterated its willingness to carry out the revision of the Financial Regulation in accordance with the conciliation procedure.

Other items approved

None

¹- Where declarations, conclusions or resolutions have been formally adopted by the Council, this is indicated in the heading for the item concerned and the text is placed between quotation marks.

- The documents whose references are given in the text are available on the Council's Internet site

<http://www.consilium.europa.eu>.

- Acts adopted with statements for the Council minutes which may be released to the public are indicated by an asterisk; these statements are available on the abovementioned Council Internet site or may be obtained from the Press Office.