



COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 28.5.2004  
SEC(2004) 675 final

**PRELIMINARY DRAFT AMENDING BUDGET No 8  
TO THE GENERAL BUDGET FOR 2004**

**GENERAL STATEMENT OF REVENUE**

(presented by the Commission)

**PRELIMINARY DRAFT AMENDING BUDGET No 8  
TO THE GENERAL BUDGET FOR 2004**

***GENERAL STATEMENT OF REVENUE***

Having regard to:

- the Treaty establishing the European Community, and in particular Article 272 thereof,
- the Treaty establishing the European Atomic Energy Community, and in particular Article 177 thereof,
- the Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities<sup>1</sup>, and in particular Article 37 thereof,

The European Commission hereby presents to the budgetary authority the preliminary draft amending budget No 8 to the 2004 budget for the reasons set out in the explanatory memorandum.

---

<sup>1</sup> OJ L 248, 16.09.2002, p.1.

## TABLE OF CONTENTS

### EXPLANATORY MEMORANDUM

1.	Introduction .....	4
2.	Revision of the forecasts of Import Duties, VAT bases & GNI .....	6
3.	Correction of budgetary imbalances in favour of the United Kingdom (2000 and 2003) .....	8
3.1.	Calculation of the corrections .....	8
3.1.1.	Update of the correction for 2003 .....	9
3.1.2.	Final calculation of the correction for 2000 .....	10
3.2.	Entry in the 2004 budget of the updated estimate for 2003 and the final amount of the 2000 correction.....	11
3.2.1.	Amount to be budgeted (chapter 15).....	11
3.2.2.	Financing of the corrections to be budgeted (chapter 15).....	11
3.2.3.	Result of the definitive calculation of the financing of the 2000 correction (chapter 35) .....	12

### GENERAL STATEMENT OF REVENUE

The general statement of revenue is forwarded separately via the SEI-BUD system. A language version is attached as a technical annex by way of example.

## EXPLANATORY MEMORANDUM

### 1. INTRODUCTION

The Preliminary Draft Amending Budget No 8 to the Budget for 2004 covers the following points:

- The revision of the forecasts of Agricultural Duties, Customs Duties, VAT bases and GNI and the budgeting of the UK corrections as well as their financing, resulting in a change in the distribution between Member States of the contributions to the Communities' own resources.
- Article 7 of the Council Decision 2000/597/EC, Euratom on the system of the European Communities' own resources states that " ...surplus from the Guarantee Fund arising from external measures, transferred to the revenue account in the budget, shall be regarded as constituting own resources ". In addition to the revision of the forecasts of own resources, this PDAB enters the repayment of the surplus from the Guarantee Fund for external measures related to 2003. This amounts to € 223 160 000.

The following summary table shows the distribution of own resources between Member States as budgeted in the Amending Budget (AB) 1/2004 (that adapts the 2004 budget to the accession of 10 new Member States on 1 May 2004), in the PDAB 7/2004 and as affected by the PDAB 8/2004.

amounts in euro

	<b>AB 1/2004 Financing by MS (total own resources)</b>	<b>PDAB 7/2004 Financing by MS (total own resources)</b>	<b>PDAB 8/2004 Financing by MS (total own resources)</b>	<b>PDAB 8/2004 Financing by MS (total own resources)</b>	<b>Difference PDAB 8/2004 vs. PDAB 7/2004</b>	<b>Difference PDAB 8/2004 vs. AB 1/2004</b>
	(1)	(2)	(3)	(4) = (3) in %	(5) = (3) – (2)	(6) = (3) – (1)
<b>BE</b>	3 746 633 291	3 592 492 644	3 734 143 338	4.00 %	141 650 694	-12 489 953
<b>CZ</b>	544 180 062	517 005 093	553 658 570	0.59 %	36 653 477	9 478 508
<b>DK</b>	2 059 502 022	1 953 265 586	1 933 350 558	2.07 %	-19 915 028	-126 151 464
<b>DE</b>	21 862 157 382	20 673 315 915	20 477 217 068	21.95 %	-196 098 847	-1 384 940 314
<b>EE</b>	57 103 718	54 335 346	57 682 994	0.06 %	3 347 648	579 276
<b>EL</b>	1 737 153 959	1 648 712 733	1 689 325 589	1.81 %	40 612 856	-47 828 370
<b>ES</b>	8 196 835 735	7 781 068 653	8 077 038 039	8.66 %	295 969 386	-119 797 696
<b>FR</b>	16 789 029 661	15 906 825 633	15 941 680 589	17.09 %	34 854 956	-847 349 072
<b>IE</b>	1 265 596 215	1 201 207 761	1 205 526 218	1.29 %	4 318 457	-60 069 997
<b>IT</b>	13 664 366 165	12 935 536 635	13 208 025 402	14.16 %	272 488 767	-456 340 763
<b>CY</b>	89 217 635	84 835 926	84 550 436	0.09 %	-285 490	-4 667 199
<b>LV</b>	66 864 257	63 382 758	64 579 847	0.07 %	1 197 089	-2 284 410
<b>LT</b>	125 870 309	119 910 611	125 454 445	0.13 %	5 543 834	-415 864
<b>LU</b>	218 035 105	206 638 258	218 354 843	0.23 %	11 716 585	319 738
<b>HU</b>	559 899 012	533 579 968	548 711 285	0.59 %	15 131 317	-11 187 727
<b>MT</b>	34 657 146	33 060 852	33 469 206	0.04 %	408 354	-1 187 940
<b>NL</b>	5 455 232 508	5 198 545 914	5 120 425 047	5.49 %	-78 120 867	-334 807 461
<b>AT</b>	2 213 930 520	2 091 147 956	2 098 850 690	2.25 %	7 702 734	-115 079 830
<b>PL</b>	1 344 201 846	1 275 133 727	1 239 542 057	1.33 %	-35 591 670	-104 659 789
<b>PT</b>	1 439 237 572	1 365 306 164	1 326 825 420	1.42 %	-38 480 744	-112 412 152
<b>SI</b>	190 863 480	181 113 733	176 601 415	0.19 %	-4 512 318	-14 262 065
<b>SK</b>	239 926 878	228 122 139	223 430 208	0.24 %	-4 691 931	-16 496 670
<b>FI</b>	1 488 720 549	1 408 095 670	1 420 210 787	1.52 %	12 115 117	-68 509 762
<b>SE</b>	2 684 146 933	2 536 489 343	2 604 459 430	2.79 %	67 970 087	-79 687 503
<b>UK</b>	12 845 366 179	11 930 558 555	11 133 414 092	11.93 %	-797 144 463	-1 711 952 087
<b>Total EU-25</b>	<b>98 918 728 139</b>	<b>93 519 687 573</b>	<b>93 296 527 573</b>	<b>100.00 %</b>	<b>-223 160 000</b>	<b>-5 622 200 566</b>

## 2. REVISION OF THE FORECASTS OF IMPORT DUTIES, VAT BASES & GNI

According to established practice the Commission proposes to revise the financing of the budget on the basis of more recent economic forecasts, adopted at a meeting of the Advisory Committee on Own Resources (ACOR) that is normally held in April each year.

The revision concerns the forecast of agricultural duties and customs duties to be collected in the current budgetary year as well as of the current year's VAT bases and GNI. The forecast in the AB 1/2004 was established at the 128<sup>th</sup> ACOR meeting on 23 April 2003. The present revised forecasts were adopted at the meeting of the 131<sup>st</sup> ACOR meeting on 20 April 2004. The use of updated forecasts of own resources improves the accuracy of the payments that Member States are asked to make during the budgetary year<sup>2</sup> and reduces the unavoidable forecasting errors from the previous year.

As compared to the forecasts agreed in April 2003 for the AB 1/2004, the 4 aggregates subject to revision in the present PDAB are revised as follows:

- Total EU-25 agricultural duties for 2004 are now forecast at € 865.1 million (after deduction of 25 % in collection costs), which represents an increase by +0.71 % relative to the forecast of € 859.0 million in the AB 1/2004. Forecast agricultural duties for EU-15 countries were unchanged. It is only the forecast agricultural duties for the Acceding Countries which were revised upward by +22.0 % from € 27.9 million to € 34.0 million. The main reason for this revision is a substantial growth of extra EU-25 imports of Acceding Countries from 2002 to 2003 (from € 51.1 million to € 54.5 million), while the weighted average tariff decreased only slightly from 1.74 % down to 1.72 %.
- Total EU-25 customs duties for 2004 are now forecast at € 9 981.8 million (after deduction of 25 % in collection costs), which represents a decrease by -1.7 % relative to the forecast of € 10 154.9 million in the AB 1/2004. The main reasons for this decrease are a substantial reduction of the forecast growth rate 2003-2004 of extra EU-15 imports for EU-15 countries (from 6.1 % down to 4.8 %) and to a lesser extent a reduction of the EU-15 weighted average tariff from 1.59 % down to 1.55 %. The forecast of EU-15 customs duties was consequently revised downward by -1.9 % from € 9 850.0 million to € 9 665.0 million. It has to be noted (though it had a more reduced impact) that, on the contrary, forecast customs duties of Acceding Countries were revised upward by +3.9 % from € 305.0 million to € 317.0 million (see explanation in paragraph above, as customs duties and agricultural duties were forecast jointly for Acceding Countries).

---

<sup>2</sup> Please note that – in the case of the 10 Acceding Countries - VAT bases and GNI have been reduced by one third to take into account the fact that, for these resources, Acceding Countries will only contribute to the EU budget during 8 months in 2004 (i.e. from May to December after accession on 1 May). For traditional own resources, which are paid with a two-month delay, a one half reduction (corresponding to 6 months payments from July to December 2004) has been applied.

- The EU-25 uncapped VAT base at current market prices is forecast to amount to € 46 713.0 million in 2004 at a 1 % rate, which represents an increase of +0.9 % compared to the € 46 301.4 million entered in the AB 1/2004. The EU-25 capped VAT base<sup>3</sup> at current market prices is forecast to amount to € 45 507.3 million in 2004 at a 1 % rate, which represents an increase of +0.1 % compared to the € 45 454.3 million entered in the AB 1/2004.
- The EU-25 GNI at current market prices is forecast to amount to € 98 980.9 million in 2004 at a 1 % rate, which represents a decrease by -0.9 % compared to the € 99 890.9 million entered in the AB 1/2004.

The exchange rates of 31 December 2003 have been used for converting the forecast VAT bases and GNI into euro (for the thirteen Member States that are not members of the euro zone). This avoids distortions since it is this rate which is used to convert budget estimates from euro into national currency when the amounts are called in (as stipulated in Article 10(3) of Council Regulation No 1150/2000).

The revised forecasts of agricultural duties, customs duties, uncapped VAT bases and GNI for 2004, as adopted at the 131<sup>st</sup> ACOR meeting on 20 April 2004, are set out in the following table:

**Revised forecasts of customs duties, VAT bases & GNI for 2004 (in €)**

	<b>Agricultural duties (75 %)</b>	<b>Customs duties (75 %)</b>	<b>Uncapped VAT base (at a 1 % rate)</b>	<b>GNI (at a 1 % rate)</b>	<b>Capped VAT base<sup>3</sup> (at a 1 % rate)</b>
BE	16 125 000	1 147 275 000	1 132 980 000	2 825 190 000	1 132 980 000
CZ	5 775 000	53 850 000	281 456 667	527 080 000	263 540 000
DK	5 175 000	195 750 000	751 886 000	1 928 917 000	751 886 000
DE	101 550 000	2 057 175 000	9 451 381 000	21 696 270 000	9 451 381 000
EE	900 000	8 625 000	32 106 000	51 379 333	25 689 667
EL	8 475 000	141 675 000	897 770 000	1 646 135 000	823 067 500
ES	26 850 000	726 825 000	4 571 090 000	7 841 620 000	3 920 810 000
FR	93 375 000	842 250 000	7 575 510 000	16 112 960 000	7 575 510 000
IE	525 000	102 825 000	657 675 000	1 179 773 000	589 886 500
IT	51 150 000	1 035 900 000	5 511 310 000	13 338 450 000	5 511 310 000
CY	900 000	8 475 000	63 280 000	80 204 000	40 102 000
LV	600 000	5 550 000	27 868 667	63 588 000	27 868 667
LT	2 025 000	18 750 000	51 188 000	113 443 333	51 188 000
LU	150 000	12 525 000	160 257 000	220 670 000	110 335 000
HU	8 850 000	82 500 000	252 283 333	487 954 667	243 977 334
MT	600 000	5 325 000	18 386 667	29 386 667	14 693 334
NL	142 050 000	1 061 025 000	2 220 805 000	4 599 995 000	2 220 805 000
AT	7 575 000	153 750 000	1 065 330 000	2 289 350 000	1 065 330 000
PL	9 900 000	92 625 000	646 871 333	1 213 073 333	606 536 667
PT	14 325 000	82 200 000	841 380 000	1 319 570 000	659 785 000
SI	1 650 000	15 300 000	96 658 667	170 330 667	85 165 334
SK	2 775 000	25 950 000	95 476 667	210 905 333	95 476 667
FI	2 625 000	72 750 000	641 720 000	1 471 320 000	641 720 000
SE	10 350 000	266 850 000	1 210 952 000	2 788 731 000	1 210 952 000
UK	350 850 000	1 766 100 000	8 457 364 000	16 774 645 000	8 387 322 500
<b>Total EU-25</b>	<b>865 125 000</b>	<b>9 981 825 000</b>	<b>46 712 986 001</b>	<b>98 980 941 333</b>	<b>45 507 318 170</b>

<sup>3</sup> In accordance with Council Decision No 2000/597; if the VAT base of a Member State exceeds 50 % of GNI, then the VAT base of this Member State is capped at 50 % of GNI. For the PDAB 8/2004, 13 Member States will have their VAT base capped at 50 % of GNI: the Czech Republic, Estonia, Greece, Spain, Ireland, Cyprus, Luxembourg, Hungary, Malta, Poland, Portugal, Slovenia and the United Kingdom.

### **3. CORRECTION OF BUDGETARY IMBALANCES IN FAVOUR OF THE UNITED KINGDOM (2000 AND 2003)**

The correction of budgetary imbalances in favour of the UK to be budgeted in the present PDAB concerns two years (2000 and 2003). As the UK correction of a certain year is to be financed in the following year, all 25 Member States participate in the financing of the 2003 correction. The financing of the 2000 correction does, on the other hand, only concern the 15 countries that were Member States in 2001.

The 2003 correction is subject to the rules of the new Council Decision on the system of the European Communities' own resources (2000/597/EC, Euratom)<sup>4</sup> and its accompanying working document<sup>5</sup> ("The Calculation Method"), whereas the rules of the previous Own resources Decision<sup>6</sup> and its accompanying working document<sup>7</sup> still apply to the 2000 correction.

The new "Calculation Method" neutralises the net gains (the "windfall gains") of the UK that result from the increase in the percentage of traditional own resources (TOR) retained by Member States. Adjustments are also foreseen as a consequence of the present as well as future enlargements of the Union.

Furthermore, according to the new Own Resources Decision the share of Austria, Germany, the Netherlands and Sweden in the financing of the UK correction is reduced to one fourth of their normal share. The reduction is financed by the other Member States, excluding the UK. The new financing rules consequently have an impact on the so-called frozen rate.

Since the two corrections to be budgeted in this PDAB are financed according to different rules and by different Member States, two frozen rates consequently have to be calculated (presented after table 1 in part A of the general statement of revenue). The resulting uniform rate of call of VAT is the difference between the maximum rate of call (0.50 % of the capped VAT base) and the sum of the two frozen rates.

#### **3.1. Calculation of the corrections**

According to the "Calculation Method" the Commission shall propose an update of the provisional estimate of the correction if it has ground to believe that the initial calculation will differ significantly from the definitive calculation of the correction. In the present PDAB it is proposed that the 2003 correction, previously entered in the

---

<sup>4</sup> OJ L 253, 7.10.2000, p. 42.

<sup>5</sup> Commission working document on calculation, financing, payment and entry in the budget of the correction of budgetary imbalances in accordance with Articles 4 and 5 of the Council Decision on the system of the European Communities' own resources, Council of the European Union, 10646/00 ADD 2, 21 September 2000.

<sup>6</sup> OJ L 293, 12.11.1994, p. 9.

<sup>7</sup> Method of calculation, financing, payment and entry in the budget of the correction of budgetary imbalances in accordance with Articles 4 and 5 of the Council Decision on the system of the European Communities' own resources, Council of the European Union, 5455/94, 9 March 1994.



initial budget 2004<sup>8</sup>, be updated. Furthermore, the result of the final calculation of the 2000 correction and its financing is also budgeted in this PDAB.

### 3.1.1. Update of the correction for 2003

The current estimate does differ significantly compared to the estimate of the 2003 correction entered in the budget 2004. An update of the 2003 correction, to be inserted in the present PDAB, is therefore proposed.

The following table summarises the changes compared to the estimate entered in the budget 2004 (rounded figure).

<b>Table 1</b>	<b>BUDGET 2004</b>	<b>PDAB 8/2004</b>	<b>DIFFERENCE</b>
<b>UK correction 2003</b>	(1)	(2)	(3) = (2) - (1)
1. Percentage share of the UK in the total sum of uncapped VAT bases	19.27 %	18.50 %	- 0.77 %
2. Percentage share of the UK in total allocated expenditure	8.88 %	7.68 %	-1.21 %
3. (1) – (2)	10.38 %	10.82 %	0.44 %
4. Total allocated expenditure	78 012 899 288	82 025 811 437	4 012 912 148
5. (3) x (4)	8 101 226 495	8 875 351 609	774 125 114
6. Original amount of the UK rebate = 0.66 x (5)	5 346 809 487	5 857 732 062	510 922 575
7. UK advantage	620 520 210	447 826 885	-172 693 325
8. Core UK rebate = (6)–(7)	4 726 289 277	5 409 905 177	683 615 900
9. TOR windfall gains	66 539 370	18 346 139	-48 193 232
<b>10. Amount of the UK correction = (8) – (9)</b>	<b>4 659 749 907</b>	<b>5 391 559 038</b>	<b>731 809 132</b>

Table 1 shows that, as a result of these changes, the updated figure for the 2003 UK correction is approximately € 731.8 million higher compared to the previously budgeted amount.

The difference is due to the combined effect of five factors, which could be quantified as follows:

- The decrease in the UK's share of European Union expenditure increases the correction by around € 622.3 million.
- The increase in total expenditure allocated to the Member States compared to the previous estimate increases the correction by around € 286.6 million.
- The decrease in the so-called UK advantage increases the correction by around € 172.7 million. The "advantage" is the benefit that the UK derives from the current own resources system as compared to the previous ones (due to the introduction of the GNP/GNI resource and the capping of the VAT bases).

<sup>8</sup> The same amount was entered in the AB 1/2004.

- The decrease in the so-called TOR windfall gains (see third paragraph of the introduction to the UK correction above) increases the correction by around € 48.2 million.
- The increase in the UK's share of European Union revenue (measured as its share in the total EU uncapped VAT base) decreases the correction by around € 397.9 million.

The revised estimate for the UK correction for the year 2003 consequently amounts to € 5 391 559 038, which corresponds to an increase by € 731 809 132 as compared to the first provisional estimate entered in the 2004 budget.

### 3.1.2. Final calculation of the correction for 2000

The result of the final calculation of the correction for 2000 amounts to € 4 132 577 623, i.e. a decrease of € 293 991 119 as compared to the previously budgeted amount in the supplementary and amending budget (SAB) 3/2001.

The following table summarises the changes compared to the provisional estimate entered in the SAB 3/2001.

<b>Table 2</b>	<b>SAB 3/2001</b>	<b>PDAB 8/2004</b>	<b>Difference</b>
<b>UK correction 2000</b>	(1)	(2)	(3) = (2) - (1)
1. UK's share of uncapped VAT payments	19.41 %	18.71 %	-0.70 %
2. UK's share of allocated expenditure	10.19 %	10.43 %	0.24 %
3. (1) - (2)	9.22 %	8.28 %	-0.94 %
4. Total allocated expenditure	72 690 934 529	74 700 969 031	2 010 034 502
5. (3) x (4)	6 701 173 504	6 183 698 001	-517 475 503
6. 0.66 x (5)	4 422 774 513	4 081 240 681	-341 533 832
7. UK advantage	-3 794 230	-51 336 943	-47 542 713
<b>8. Reference compensation = (6) - (7)</b>	<b>4 426 568 742</b>	<b>4 132 577 623</b>	<b>-293 991 119</b>

The difference relative to the previously budgeted amount is due to the combined effect of four factors, which could be quantified as follows:

- The decrease in the UK's share of European Union revenue (measured as its share in the total EU uncapped VAT base) decreases the correction by around € 336.6 million.
- The increase in the UK's share of European Union expenditure decreases the correction by around € 114.7 million.
- The increase in total expenditure allocated to the Member States increases the correction by around € 109.8 million.

- The decrease in the so-called UK advantage increases the correction by around € 47.5 million. The “advantage” is the benefit<sup>9</sup> that the UK derives from the current own resources system as compared to the previous ones (due to the introduction of the GNP/GNI resource and the capping of the VAT bases).

### **3.2. Entry in the 2004 budget of the updated estimate for 2003 and the final amount of the 2000 correction**

#### *3.2.1. Amount to be budgeted (chapter 15)*

The total amount of the UK corrections to be budgeted in the present PDAB 8/2004 is the sum of:

- The total amount of the revised estimate for the 2003 correction (€ 5 391 559 038, in replacement of the € 4 659 749 907 budgeted in the Budget 2004), and
- The difference between the final amount of the 2000 correction and the amount previously budgeted (in the SAB 3/2001).

The amount to be entered in the present PDAB is therefore equal to:

$$€ 5 391 559 038 + (- € 293 991 119) = € 5 097 567 919.$$

#### *3.2.2. Financing of the corrections to be budgeted (chapter 15)*

According to the “Calculation Method” the correction for year  $n$  shall be financed according to the GNP/GNI<sup>10</sup> key of year  $n + 1$ .

The total amount of the revised estimate for 2003 is therefore financed according to the revised GNI key of the present PDAB and the result is budgeted in chapter 15.

Concerning the final correction for 2000, the 1994 “Calculation Method” states that in addition to the final calculation of the amount of the UK correction, a definitive calculation should also be made for the financing. The final correction for 2000 is therefore budgeted in two steps. The difference between the final amount of the 2000 correction and the amount previously budgeted (in the SAB 3/2001) is entered in chapter 15 according to the GNI key of the present PDAB. The entire financing is then recalculated according to the final GNP and VAT bases of the year 2000 and compared with the payments already entered in the present as well as the previous budgets. The difference per Member State is entered in chapter 35 (see below *Result of the definitive calculation of the financing of the 2000 correction – chapter 35*). The definitive calculation of the 2000 correction is an adjustment of the previous estimate budgeted and financed in 2001. As a consequence, it does not concern the 10 new Member States.

---

<sup>9</sup> The advantage is, just as in the previously budgeted estimate, negative, which means that the introduction of capped VAT and GNP resource was to a disadvantage for the UK in 2000. Since the "UK advantage" works in both directions, this means that the "disadvantage" increases the UK correction.

<sup>10</sup> GNI has replaced the concept of GNP in the area of the EU budget as from the year 2002.

The budgeting in chapter 15 of the two different UK corrections according to the GNI keys of the present PDAB is summarised below.

<b>Table 3 - Financing of UK corrections in chapter 15</b>			
	<b>UK correction 2000<sup>a</sup></b>	<b>UK correction 2003</b>	<b>Total of chapter 15</b>
	(1)	(2)	(3) = (1) + (2)
BE	-11 795 938	271 066 206	259 270 268
CZ	---	50 571 316	50 571 316
DK	-8 053 754	185 072 230	177 018 476
DE	-53 651 236	355 741 367	302 090 131
EE	---	4 929 651	4 929 651
EL	-6 873 062	157 940 375	151 067 313
ES	-32 740 901	752 373 534	719 632 633
FR	-67 276 001	1 545 977 063	1 478 701 062
IE	-4 925 874	113 194 720	108 268 846
IT	-55 691 665	1 279 773 409	1 224 081 744
CY	---	7 695 268	7 695 268
LV	---	6 101 026	6 101 026
LT	---	10 884 455	10 884 455
LU	- 921 357	21 172 445	20 251 088
HU	---	46 817 389	46 817 389
MT	---	2 819 539	2 819 539
NL	-19 206 233	75 423 495	56 217 262
AT	-9 558 660	37 537 166	27 978 506
PL	---	116 389 760	116 389 760
PT	-5 509 564	126 607 709	121 098 145
SI	---	16 342 578	16 342 578
SK	---	20 235 562	20 235 562
FI	-6 143 162	141 167 543	135 024 381
SE	-11 643 712	45 725 232	34 081 520
UK	293 991 119	- 5 391 559 038	- 5 097 567 919
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>

<sup>a</sup> Budgeting of the difference as compared to the amount previously budgeted in the SAB 3/2001.

### 3.2.3. Result of the definitive calculation of the financing of the 2000 correction (chapter 35)

The definitive calculation of the financing of the 2000 correction is based on the final amount of the correction and on the actual GNP and VAT bases of  $n + 1$  (2001) as they appear at the end of  $n + 3$  (2003).

The amounts budgeted in chapter 35 corrects for:

- The differences as regards the “direct effect”, i.e. the difference between what each Member State should pay for the final amount of the 2000 correction according to the final 2001 GNP financing key on the one hand *and* the amounts previously budgeted in respect of the 2000 correction, as well as
- the differences as regards the “indirect effect”, i.e. the difference between the implicit effect of the final amount of the 2000 correction on Member States’

payments due to its impact on the uniform rate of VAT (and the corresponding effects on each Member State's VAT and GNP/GNI payments<sup>11</sup>) on the one hand *and* the implicit effects of the amounts previously budgeted in respect of the 2000 correction.

The budgeting of the 2000 UK correction concerns two different years:

- The first provisional amount was budgeted in the 2001 budget and refinanced in the SAB 3/2001,
- the difference between the final amount and the amount previously budgeted (in the SAB 3/2001) is inserted in chapter 15 of the present PDAB (and financed according to the current 2004 GNI key).

The direct and indirect effect of the final amount of the 2000 correction financed according to the definitive 2001 financing key consequently has to be compared with the sum of the direct and indirect effects in both of the years mentioned above.

The results are shown in table 4.

<b>Table 4 - Chapter 35 – financing of the 2000 UK correction</b>			
	<b>Direct effect</b>	<b>Indirect effect</b>	<b>Total</b>
	(1)	(2)	(3) = (1) + (2)
<b>BE</b>	-5 021 431	1 942 524	-3 078 908
<b>DK</b>	-1 927 781	-14 363 142	-16 290 924
<b>DE</b>	-10 875 821	60 109 713	49 233 892
<b>EL</b>	391 383	-1 994 710	-1 603 327
<b>ES</b>	6 524 407	-9 993 012	-3 468 605
<b>FR</b>	18 551 727	-1 915 945	16 635 782
<b>IE</b>	17 940	-1 570 409	-1 552 469
<b>IT</b>	2 338 574	-6 902 994	-4 564 420
<b>LU</b>	75 720	-309 133	-233 413
<b>NL</b>	-4 572 989	-4 598 575	-9 171 563
<b>AT</b>	-2 383 418	-226 737	-2 610 155
<b>PT</b>	401 845	-1 803 544	-1 401 699
<b>FI</b>	-511 933	-1 723 714	-2 235 647
<b>SE</b>	-3 008 223	-873 471	-3 881 694
<b>UK</b>	0	-15 776 850	-15 776 850
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>

<sup>11</sup> Using the 2001 VAT and GNP bases as known at the end of  $n + 3$  (2003).

The direct and indirect effects of the final amount of the 2000 correction financed according to the definitive financing keys of *n + 1* and the direct and indirect effects of the amounts budgeted in respect of the 2000 UK correction in the SAB 3/2001 and in chapter 15 of the present PDAB are compared in table 5.

<b>Table 5 Overall summary : final financing of the 2000 UK correction</b>					
	FINAL 2000 CORRECTION (including the indirect effect)	DIRECT AND INDIRECT EFFECTS OF:			BALANCES TO BE BUDGETED
		SAB 3/2001 (Chapter 15)	PDAB 8/2004 (Chapter 15)	Total previous effects	PDAB 8/2004 Chapter 35
		(1)	(2)	(3)	(4) = (2)+(3)
<b>BE</b>	190 354 637	206 734 627	-13 301 082	193 433 545	-3 078 908
<b>DK</b>	114 643 590	140 215 947	-9 281 433	130 934 514	-16 290 924
<b>DE</b>	799 578 317	808 624 054	-58 279 629	750 344 425	49 233 892
<b>EL</b>	78 586 550	86 435 581	-6 245 704	80 189 877	-1 603 327
<b>ES</b>	385 122 767	418 343 754	-29 752 382	388 591 372	-3 468 605
<b>FR</b>	898 906 909	947 847 400	-65 576 273	882 271 127	16 635 782
<b>IE</b>	63 404 153	69 432 872	-4 476 251	64 956 622	-1 552 469
<b>IT</b>	935 053 577	1 000 917 963	-61 299 967	939 617 996	-4 564 420
<b>LU</b>	12 381 266	13 451 936	-837 258	12 614 678	-233 413
<b>NL</b>	255 218 893	282 574 817	-18 184 361	264 390 457	-9 171 563
<b>AT</b>	135 731 529	147 760 489	-9 418 806	138 341 683	-2 610 155
<b>PT</b>	72 110 820	78 519 182	-5 006 663	73 512 519	-1 401 699
<b>FI</b>	97 798 260	106 483 738	-6 449 831	100 033 907	-2 235 647
<b>SE</b>	163 292 585	179 448 744	-12 274 465	167 174 279	-3 881 694
<b>UK<sup>12</sup></b>	-4 202 183 852	-4 486 791 106	300 384 104	-4 186 407 002	-15 776 850
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

<sup>12</sup> The indirect effect of the UK rebate affects all Member States' VAT and GNP/GNI payments, including the UK. The amounts indicated for the UK corresponds to the sum of the indirect effect and the amount of the rebate budgeted in the year in question.