

Thursday 9 June 2005

P6_TA(2005)0231

Budgetary positions and economic policies **I

European Parliament legislative resolution on the proposal for a Council regulation amending Regulation (EC) No 1466/97 on the strengthening of the surveillance of budgetary positions and the surveillance and coordination of economic policies (COM(2005)0154 — C6-0119/2005 — 2005/0064(SYN))

(Cooperation procedure: first reading)

The European Parliament,

- having regard to the Commission proposal to the European Parliament and the Council (COM(2005)0154) (⁽¹⁾),
 - having been consulted by the Council pursuant to Article 252 and Article 99(5) of the EC Treaty (C6-0119/2005),
 - having regard to Rule 51 of its Rules of Procedure,
 - having regard to the report of the Committee on Economic and Monetary Affairs (A6-0168/2005),
1. Approves the Commission proposal as amended;
 2. Calls on the Commission to alter its proposal accordingly, pursuant to Article 250(2) of the EC Treaty;
 3. Calls on the Council to incorporate Parliament's amendments in the common position that it adopts in accordance with Article 252(a) of the EC Treaty;
 4. Calls on the Council to notify Parliament should it intend to depart from the text approved by Parliament;
 5. Calls for the conciliation procedure to be initiated should the Council intend to depart from the text approved by Parliament;
 6. Asks to be consulted again if the Council intends to amend the Commission proposal substantially;
 7. Instructs its President to forward its position to the Council and Commission.

TEXT PROPOSED
BY THE COMMISSION

AMENDMENTS
BY PARLIAMENT

Amendment 1

Recital 2 a (new)

(2a) The implementation of the fiscal framework, the surveillance and coordination of economic policies and their credibility rely on the quality, reliability and timeliness of fiscal statistics. The quality of statistics at national and Community level must be ensured in order to guarantee the independence, integrity and accountability of both national statistical offices and Eurostat.

(¹) Not yet published in OJ.

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TEXT PROPOSED
BY THE COMMISSIONAMENDMENTS
BY PARLIAMENT

Amendment 2

Recital 2 b (new)

(2b) The Commission should compare the figures submitted to it by the Member States with the reports submitted by the national central banks to the ECB.

Amendment 3

*Article 1, point 1**Article 2 a (Regulation (EC) No 1466/97)*

Medium-term objectives of budgetary positions close to balance or in surplus shall be set for every Member State in the framework of the procedure referred to in Article 99 (2) of the Treaty. These medium-term budgetary objectives shall be **regularly** reviewed and, where appropriate, revised. These country-specific medium-term budgetary objectives shall be set at a level which allows Member States to deal with normal cyclical fluctuations while keeping the government deficit below the 3 % of GDP reference value, ensure rapid progress towards fiscal sustainability and, taking this into account, allow room for budgetary manoeuvre, in particular for public investment.

Medium-term objectives of budgetary positions close to balance or in surplus shall be set for every Member State in the framework of the procedure referred to in Article 99 (2) of the Treaty. These medium-term budgetary objectives shall be reviewed, **at least annually and whenever major structural and budgetary reforms are undertaken**, and, where appropriate, revised. **Each Member State may establish an economic council of wise people to advise on the main macro-economic projections.** These country-specific medium-term budgetary objectives shall be set at a level which allows Member States to deal with normal cyclical fluctuations while keeping the government deficit below the 3 % of GDP reference value, ensure rapid progress towards fiscal sustainability and, taking this into account, allow room for budgetary manoeuvre, in particular for public investment.

Amendment 4

*Article 1, point 2 a (new)**Article 4, paragraph 1 (Regulation (EC) No 1466/97)*

(2a) Article 4(1) is replaced by the following:

'1. Stability programmes shall be submitted before 1 March 1999. Thereafter, updated programmes shall be submitted annually for a period of two years. A Member State adopting the single currency at a later stage shall submit a stability programme within six months of the Council Decision on its participation in the single currency.'

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TEXT PROPOSED
BY THE COMMISSIONAMENDMENTS
BY PARLIAMENT

Amendment 5

Article 1, point 3, point a

Article 5, paragraph 1, subparagraph 1 (Regulation (EC) No 1466/97)

1. Based on assessments by the Commission and the Committee set up by Article 114 of the Treaty, the Council shall, within the framework of multilateral surveillance under Article 99, examine whether the adjustment path in the programme is sufficiently ambitious, whether the economic assumptions on which the programme is based are realistic and whether the measures being taken and/or proposed are sufficient to achieve the targeted adjustment path towards the medium-term budgetary objective. The Council, when assessing the adjustment path toward the medium-term budgetary objective, shall consider whether the Member State concerned pursues a minimum annual improvement of its cyclically-adjusted balance, net of one-off and other temporary measures and whether a larger improvement is pursued in economic good times. The Council shall also take into account the implementation of major structural reforms which have direct long-term cost-saving effects, including by raising potential growth, and therefore a verifiable impact on the long-term sustainability of public finances;

1. Based on assessments by the Commission and the Committee set up by Article 114 of the Treaty, the Council shall, within the framework of multilateral surveillance under Article 99, examine whether the adjustment path in the programme is sufficiently ambitious, whether the economic assumptions on which the programme is based are realistic and whether the measures being taken and/or proposed are sufficient to achieve the targeted adjustment path towards the medium-term budgetary objective. **For this purpose the Commission shall undertake financial auditing missions in the Member States.** The Council, when assessing the adjustment path toward the medium-term budgetary objective, shall consider whether the Member State concerned pursues a minimum annual improvement of its cyclically-adjusted balance, net of one-off and other temporary measures and whether a larger improvement is pursued in economic good times. The Council shall also take into account the implementation of major structural reforms which have direct long-term cost-saving effects, including by raising potential growth, and therefore a verifiable impact on the long-term sustainability of public finances;

Amendment 6

Article 1, point 3, point b

Article 5, paragraph 2 (Regulation (EC) No 1466/97)

(b) **In** paragraph 2, **the words ‘two months’ are** replaced by the **words ‘three months’.**

(b) Paragraph 2 **is** replaced by the **following:**

‘2. The Council shall carry out the examination of the stability programme referred to in paragraph 1 within at most three months of the submission of the programme. The Council, on a recommendation from the Commission and after consulting the Committee set up by Article 114, shall deliver an opinion on the programme. Where the Council, in accordance with Article 99, considers that the objectives and contents of a programme should be strengthened, in particular regarding the improvement on the adjustment path toward the medium-term budgetary objective pursued in economic good times, the Council shall, in its opinion, invite the Member State concerned to adjust its programme.’

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TEXT PROPOSED
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BY PARLIAMENT

Amendment 7

Article 1, point 3 a (new)

Article 6, paragraph 1 (Regulation (EC) No 1466/97)

(3a) Article 6(1) is replaced by the following:

'1. As part of multilateral surveillance in accordance with Article 99(3), the Council shall monitor the implementation of stability programmes, on the basis of information provided by participating Member States and of assessments by the Commission and the Committee set up by Article 114, in particular with a view to identifying actual or expected significant divergence of the budgetary position from the medium-term budgetary objective, the adjustment path towards it, as set in the programme for the government surplus/deficit, and the expected path of the general government debt ratio.'

Amendment 8

Article 1, point 3 b (new)

Article 6, paragraph 2 (Regulation (EC) No 1466/97)

(3b) Article 6(2) is replaced by the following:

'2. In the event that the Council identifies significant divergence of the budgetary position from the medium-term budgetary objective, the adjustment path towards it or the expected path of the general government debt ratio, it shall, with a view to giving early warning in order to prevent the occurrence of an excessive deficit or debt ratio, address, in accordance with Article 99(4), a recommendation to the Member State concerned to take the necessary adjustment measures.'

Amendment 9

Article 1, point 3 c (new)

Article 6, paragraph 3 (Regulation (EC) No 1466/97)

(3c) Article 6(3) is replaced by the following:

'3. In the event that the Council in its subsequent monitoring judges that the divergence of the budgetary position from the medium-term budgetary objective, the adjustment path towards it or the expected path of the general government debt ratio is persisting or worsening, the Council shall, in accordance with Article 99(4), make a recommendation to the Member State concerned to take prompt corrective measures and may, as provided for in that Article, make its recommendation public.'
