



EUROPEAN COMMISSION

## MEMO

Brussels, 24 October 2014

# REVISION OF MEMBER STATES' GNI CONTRIBUTION – Q&A

### **1. Who decides to increase Member states' GNI contribution to the EU budget and why?**

The different types of own resources of the EU budget and the method for calculating them are set out in a [Council Decision on own resources](#) and its [implementing regulation](#). Thus the rules relating to the calculation of Member states' contribution based on their respective Gross National Income are established in the own resources legislation.

In May of each year the Commission and representatives of each Member state meet to establish the estimated GNI of every member state for the year to come. That specific source of income for the EU budget is then adopted in agreement with the Member states.

Each autumn, the Commission and representatives of each Member state meet a second time, this time to check whether there are differences between the original GNI estimates and the "real" GNI for the previous year, and whether there any further adjustment to older GNI data, still based on the figures provided by each Member state.

Member states' individual GNI contribution is then adjusted upwards or downwards to compensate for the adjustments. This is a purely mathematical, technical process. So much so, that member states agreed that the Commission can implement the adjusted figures by 1 December every year without any need to submit a proposal to the Council and/or to the European Parliament.

### **2. Does this year's technical adjustment take into account the new method to calculate member states' GDP (ESA 2010)?**

No. This new method to calculate member states' GDP will have no impact on their GNI contribution to the EU budget until the new own resources decision comes into effect, which is probably 2016.

### **3. Why does this year's technical adjustment see such big increases of contributions to the EU budget for some member states?**

This year's adjustment includes GNI re-calculation dating back to 2002 for most member states and to 1995 for one, as there were a number of unresolved issues that had accumulated over the last years. The decision to resolve these historic issues now results from a joint effort of member states in cooperation with Eurostat. With all these issues now cleared, future such corrections will again be rather minor, as they were in recent years.

Some member states have consistently reported too low values for their GNI over the last years, this obviously explain the size of some adjustments upwards.

### **4. Why has the Commission decided to act just now?**

As explained earlier, the adjusted GNI contributions must come into force by 1 December at the latest. However, the earlier in the year you calculate the real GNI for that given year the less accurate you are. The Commission must therefore find a compromise between announcing the revised GNI figures as late as possible in order to be as accurate as possible, and as early as possible in order to give member states enough time to adapt to the new figures. This year, member States were informed of the budgetary impact of the new data on 17 October.

**5. Do those adjustments always increase member states' GNI contributions?**

Not at all; it mostly depends on member states themselves as the basis for such revision is the figures provided by the member states. If your recorded GNI for any given year is lower than what was estimated at the beginning of the year, your GNI contribution will go down.