

**JOINT LETTER**  
**FROM MR BLAIR, THE PRIME MINISTER, AND THE PRESIDENT OF**  
**FRANCE, THE CHANCELLORS OF GERMANY AND AUSTRIA, AND THE**  
**PRIME MINISTERS OF THE NETHERLANDS AND SWEDEN.**

**15 December 2003**

**H.E. Prof. Romano Prodi**  
**President of the European Commission**

The period for the current Financial Perspective is drawing to a close and preparations for the new EU budget are under way. We understand that you are currently preparing a Communication to the Council, and intend to submit a legislative proposal no later than during the first half of 2004. This will pave the way for the necessary deliberations between Member States.

The new Financial Perspective should allow us to exploit the extraordinary potential of the enlarged Union, and the opportunities it offers our citizens. EU spending should add real value, and aim more actively at transforming the EU into the most competitive and innovative area worldwide. Other key tasks are further developing the Common Foreign and Security Policy, protecting our external borders, and managing migration flows.

We are deeply committed to the principle of European solidarity, and to the maintenance of cohesion in the enlarged Union.

Bearing in mind Europe's demographic challenge, sustained high growth requires long term sound public finances. In view of the painful consolidation efforts in Member States our citizens will not understand if the EU budget were exempt from this consolidation process.

We see in this context no room for a EU budget near the current ceiling for own resources. Average expenditure during the next financial perspective should in our view be stabilised around current expenditure levels, and should not exceed 1.0 % of GNI, including agriculture spending within the ceiling set by the European Council in October 2002. This would still allow for annual increases in the EU budget well above growth rates of national budgets in most Member States, and permit a sufficient margin for policy implementation in the enlarged Union.

The Commission's proposal on the new Financial Perspective should reflect this approach.

**Jacques Chirac**  
**President of the French Republic**

**Jan Peter Balkenende**  
**Prime Minister of the Netherlands**

**Tony Blair**  
**Prime Minister of the United Kingdom**

**Gerhard Schröder**  
**Federal Chancellor of the Federal Republic of Germany**

**Göran Persson**  
**Prime Minister of Sweden**

**Wolfgang Schüssel**  
**Federal Chancellor of the Republic of Austria**

**STATEMENT OF PRESIDENT PRODI  
FOLLOWING THE INITIATIVE OF SIX MEMBER STATES**

**IP/03/1731**

**Brussels, 15 December 2003**

Today I have received a letter from the leaders of France, Germany, Netherlands, Sweden, United Kingdom and Austria. In this letter it is argued that in an enlarged European Union the expenditure should not exceed 1.0 % per cent of GNI. In their view this includes agricultural spending within the ceiling set by the European Council in October 2002.

The current ceiling for EU expenditure is 1.24 per cent of GNI.

I take note of the points made in the letter.

I also take note that these Member States, like everyone else, say they want to create the most competitive economy in the world. They wish to achieve better protection of our borders. They insist on controlling migration more efficiently together. They want to build a Union that has a more effective foreign and security policy.

At the same time all Member States want that the Union expresses more solidarity to its poor regions and spends as much money as we do today on agriculture.

I, too, am in favour of achieving all these goals and as always, will do my best to achieve them.

Miracles, however, are not my speciality and they don't seem to come easily to Member States, either.

We will study these ideas seriously but with only 1 per cent of GNI it will simply not be possible to do what these Member States - and all others - expect from us.

If the means attributed to the budget of the Union are not adequate, less will have to be done and some of these goals cannot be fulfilled.

Consequently, I wonder whether this is a reflection of the kind of level of responsibility that these Member States actually want that the Union of 25 achieves.

The Commission will present its political framework for the new financial perspectives in January. We will build our strategy on the basis of the policies that have been declared by the Union as priorities for the Union, which the Community budget should support starting from 2007.