



Vicky Ford MEP

Conservative Member of the European Parliament for the East of England

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LOCAL MEP AT FOREFRONT OF EUROZONE NEGOTIATIONS

East of England MEP, Vicky Ford, has been in the front line of negotiations on new legislation that will be voted on in the European Parliament on Wednesday. The “Economic Governance Package” is one of the main political responses agreed by European leaders as part of the response to the Eurozone crisis. It will result in countries having a far greater say over each other’s budgets and spending, as well as a future system of fines to discourage Eurozone countries from running up massive debts and deficits. Mrs Ford has been one of the six lead negotiators on the package which has taken nearly a year to agree, and significantly is the only negotiator from outside the Eurozone.

Mrs Ford explains: “This has been a marathon of a negotiation. Eurozone countries are bound by their common currency so may need to move closer together, but we also need to recognise this is not always true for countries outside the Euro. All too often people in Brussels forget that of the 27 EU member countries only 17 are actually in the Euro. Although the UK economy is affected by what is happening in the Eurozone we should not be swept into all the zones conclusions, and indeed there are many areas where we need to be treated differently.

“Most of my work has focused on improving budget forecasting and making public spending decisions in a more transparent way. Coming from a business background it is almost unbelievable how poor the financial decision making and information has been in some countries. In Greece, for example, budgets were based around the assumption that people paid taxes when due whereas taxes were often not being paid. Therefore the cash position was much worse than the forecasters predicted”.

As part of the proposed new legislation, countries will now have to produce three year budgets, provide cash reconciliations and disclose all liabilities, including debts like the PFI contracts which are causing trouble for so many UK hospitals. There will also need to be an independent oversight of budgets, meaning that other countries will follow the example of the UK which brought in the Independent Office of Budgetary Responsibility last year.



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Within the Eurozone, countries will have to pass their own national laws to cap their debts and deficits to levels agreed across the Eurozone.

Mrs Ford concludes: "We have negotiated a special exemption for this for the UK since we are not in the Euro, or thinking of joining the Euro. Gordon Brown's so called "golden rule" didn't stop our country running up massive debts, so we know how this sort of law can be manipulated. If the UK ever does decide to introduce new legal caps then this should be the decision of a UK government not at a level set in Brussels. We have also negotiated that fines and other sanctions also cannot be imposed on the UK".

For further information, photographs or quotes please contact Sarah Stamp, Press and Communications Officer to Vicky Ford, on 07584 028671 or at communications@vickyford.org

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Vicky Ford MEP UK Office, 153 St Neots Road, Hardwick, Cambs, CB23 7QJ. Tel: 01954 211722.

Email: office@vickyford.org