

Who pays for the EU and how much does it cost the UK? Disentangling fact from fiction in the EU Budget

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The EU budget is large, complex and politically highly charged, but it is also prone to be poorly explained and understood in much of the debate on the UK and Europe. A key reason for this is that there are many ways of presenting key measures, such as how much it costs or who gains from it, allowing protagonists on different sides of the debate to seize on particular indicators to support their case. Often, however, an opposite case can be constructed just as convincingly by using a different mix of figures, leading to confusion about the true position.

The aim of this briefing paper is both to present the facts about the revenue side of the EU budget from a UK perspective and to dispel some of the myths about it.

Key points

- Spending by the EU in 2014 was around 1% of the Gross National Income (GNI) of the Union. In the same year, the US federal government spent some twenty times as much.
- The UK is a major contributor to the EU budget because it is one of the four largest economies in the EU, but has consistently paid less than France (since 1985) and (latterly) Italy, let alone Germany.
- As a share of gross national income, the UK pays the least of all Member States into the EU budget, principally because of the UK rebate, implemented since 1985.
- However, the UK has consistently been a net contributor to the EU budget because the amount of money it receives from EU spending programmes is lower than its payments into it.
- Many of the figures quoted in debate on the EU budget use the notional gross contribution as the measure of what is paid. This is a hypothetical figure the UK would be expected to pay if it contributed on the same terms as other Member States. However, the rebate substantially reduces the amount actually paid compared with this hypothetical gross contribution. Only the actual payment should be used when assessing how much the EU costs the UK.
- The amount paid to 'Brussels' varies from year to year, partly because of the manner in which the rebate is triggered. In 2014, a year when what the UK paid was relatively high, the actual payment, based on data published by the Office for National Statistics, was £14.7 billion. This is equivalent to an annual payment of £228.43 per head, or £4.40 per person, per week.
- The claim, prominently reported in *The Times* on New Year's eve 2015, that the UK has paid over half a trillion pounds to the EU since 1973, when measured at today's prices, exaggerates the true amount by £108.6 billion (up to 2014), equivalent to a 28.9% overstatement.

How large is the EU budget?

Since the late 1980s, when the EU budget underwent a comprehensive reform while Jacques Delors was the President of the European Commission, the total spending directly funded by the EU has fluctuated around one percentage point of the GNI of the EU. In 2014, the last year for which full accounts are published, the headline total for EU spending was just over €140 billion. Even translating that amount into pounds is challenging: according to Her Majesty's Revenue and Customs (HMRC) [the exchange rate for December 2014](#) was 1.2492 euros to the pound, while it was 1.191 at the [beginning of the year](#).

Taking an average exchange rate for the year, the total EU budget in 2014 was around £114 billion. By comparison, [total UK public spending](#) in the fiscal year 2014-15 was £735 billion, while the federal level in the United States had a budget of around £2,288 billion (\$3,777 billion). Although these are all such

large numbers that they can be hard to assimilate, it is worth noting that UK government spending in 2014 was over six times as much as the EU's, and the US federal budget is some twenty times as large as the EU budget.

How much does each Member State pay?

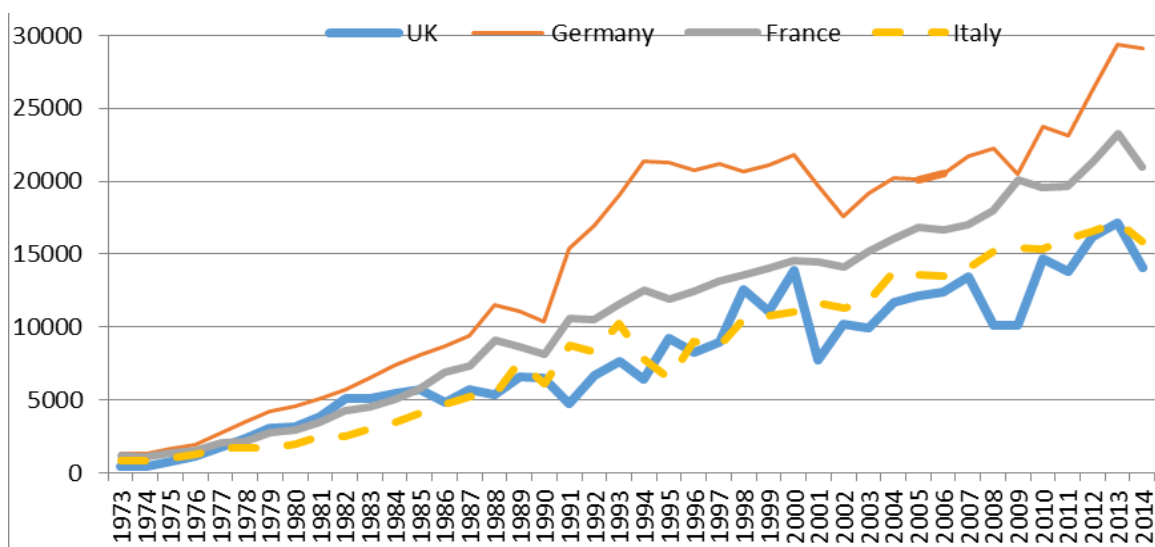
In principle, the amounts paid into the EU's finances from each Member State should be very similar as a proportion of gross national income. Thus, if 1% of EU GNI is required to pay for the various EU spending programmes, the starting assumption would be that the imposition on each Member State should also be 1% of GNI. In various tables this amount is presented as the 'gross contribution', a hypothetical amount of what they should pay if they were to contribute pro rata to the EU's income.

However, for a variety of reasons, this is not necessarily what they actually pay – and thus what their national treasuries have to transfer to Brussels, when measured year by year. The most important reason is that the UK 'rebate' agreed in 1984 to placate Margaret Thatcher's demand 'I want my money back' means that the gross contribution of all twenty-eight Member States is adjusted. That of the UK is reduced and that of the other twenty-seven is increased, roughly in proportion to their level of GNI, to pay for the UK cut.

But that is not the end of the story because, since the rebate was first agreed, Germany (which, in the mid-1980s, was the only other country that paid more in to the budget than it received from it) has only had to pay a fraction of its hypothetical share. Certain other countries have also since had their contributions towards the UK rebate cut because they too had become substantial net contributors to the EU budget. This 'rebate on the rebate' means that the remaining countries have to pay proportionally more, including France where grumbling about *le cheque britannique* rivals UK antagonism to the common agricultural policy –.

As figure 1 shows, since 1973, the UK has always paid less than Germany, which would be expected since Germany is a larger economy. However, since the rebate was introduced in 1985, the UK has also consistently paid less than France – a similar sized economy – usually by quite a large margin. Moreover, despite the stagnation of the Italian economy since the 1990s, Italy has more often than not paid more into the EU budget than the UK, especially since 2000.

Figure 1 Payments into the EU by the four largest Member States, 1973-2014, at current prices

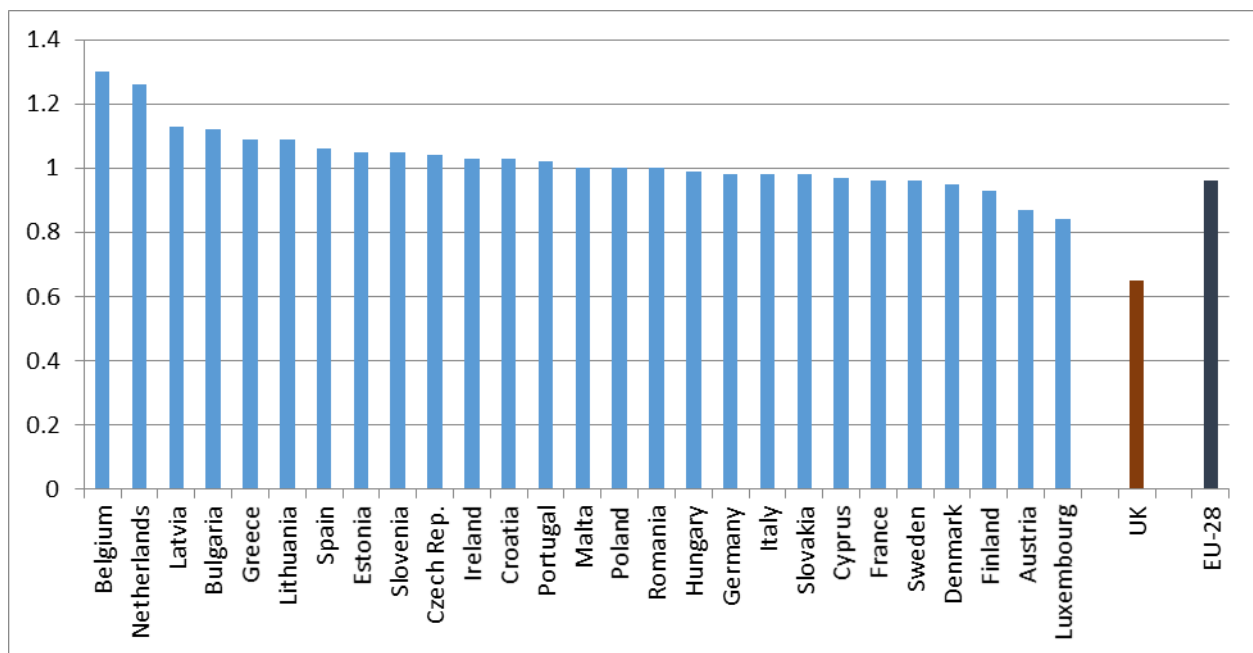


Source: EU Financial Reports, 2008, 2009, 2010, 2011, 2012, 2013, 2014

As a result of reforms to some EU programmes, notably the Common Agricultural Policy, countries like the Netherlands gradually changed from being net beneficiaries from the EU budget to net contributors, to such a degree that they too demanded their money back. Along with Austria, Sweden and (most recently) Denmark, they were accorded other sorts of ‘correction’, with the result that (along with the UK and Germany) several of the richer Member States have their *ex-ante* contributions reduced.

Figure 2 shows that the actual payments towards the own resources of the EU by each Member State in 2014 ranged from 0.65% of GNI for the UK to 1.3% for Belgium.

Figure 2 Contributions by Member States to EU own resources, % of national GNI, 2014



Source: EU Financial Reports, 2014

How is the EU budget funded?

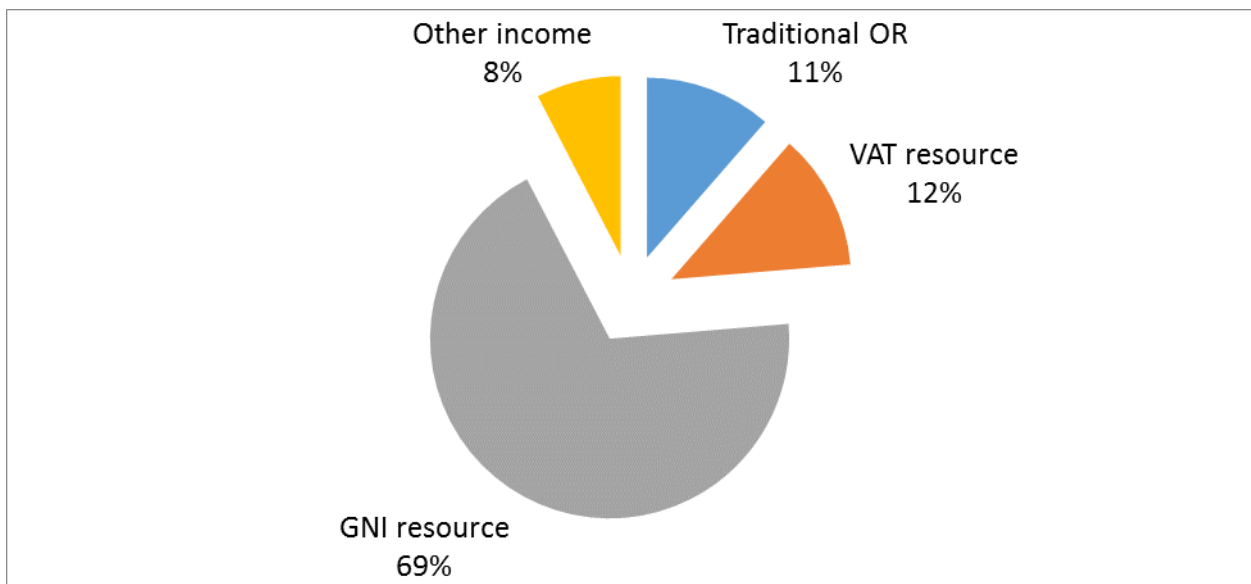
Most of the revenue that funds the EU budget comes from what are known as ‘own resources’ which are designated income flows that have been assigned for this purpose. What are known as ‘traditional’ own resources (ToR) consist predominantly of customs duties charged on imports from outside the EU, topped up by some additional levies on certain agricultural imports. Although ToR revenues ‘belong’ to the EU level, they are collected by Member States who are allowed to keep 25% of the proceeds as a collection fee. They are complemented by what are described in the EU’s accounts as ‘national contributions’. The latter comprise a share of the proceeds from each Member State’s value-added tax (VAT) and an amount linked to the GNI of the country.

The VAT calculation is adjusted to take account of differences in the coverage of the tax - in the UK, for example, VAT is not charged on food and children’s clothing. The GNI resource is assessed as a proportion of the annual aggregate income of each country. It is, in principle a flat-rate ‘tax’, but unlike most income tax systems in Member States, is not progressive in the sense of charging a higher rate to the better-off. That said, the bigger the country’s GNI, the more it pays towards the EU. The legal basis for own resources is established every few years in an agreement known as the *Own Resources Decision* which is taken unanimously by the Council of Ministers, after consultation of the European Parliament. The European Parliament is only consulted, meaning that revenue raising is essentially an inter-governmental deal, in contrast to EU expenditure on which there is co-decision between the Parliament

and the Council. In addition a small proportion of the EU's revenue comes from other sources, including the fines on companies, such as Microsoft, which have been found to have breached EU competition rules.

The yield from the ToR has declined over the years, largely as a result of customs duties being reduced through multilateral trade deals and other bilateral trade agreements between the EU and other countries. Similarly, what is known as the take-up rate for the VAT resource has been reduced. As a result the two national contributions, especially the GNI resource, have become the main component of the EU's revenue. In 2014, as figure 3 shows, the share of the GNI resource was over two-thirds.

Figure 3 EU revenue 2014, shares from different sources (% of total revenue)



Source: EU Financial Report 2014

The manner in which GNI figures are compiled – see box 1 – can affect demands on individual countries. When the change is substantial, it can give rise to recalibration of amounts due in a way that becomes politically delicate, as happened in 2014.

Box 1 How national accounts aggregates are compiled

The definition of GNI is laid down in standards agreed periodically by the statistical offices of EU Member States in conjunction with Eurostat, the EU level authority, and encapsulated in the European System of Accounts (ESA). As economies evolve and adopt new means of doing business (e-commerce, for example), the methodology for calculating GNI (and other closely related national aggregates, such as the more familiar gross domestic product – GDP) needs to be updated. For example, the convention today is that unremunerated work done in the home, however real those performing it know it to be, is not counted as part of GDP or GNI, whereas paid work is. A particular problem for the national accounts statisticians is economic activity in the hidden economy: builders or cleaners paid cash-in-hand, with no formal receipts; barter; illegal activities such as drug-dealing; and so on.

GNI, as the 'I' in the acronym implies, measures the income accruing to a country, while GDP measures its 'product', that is its output of goods and services in the relevant time period. The reason that GNI rather than GDP is used for assessing what Member States pay towards the EU is that, in some cases, there can be a significant gap between what is produced in the country and the income that it earns from that output. Ireland, for example, has a high level of foreign direct investment in its economy, but

because the foreign investors repatriate a proportion of the profits generated, the income that ‘sticks’ in Ireland is several percentage points lower than the value of the output. German companies, by contrast, have invested heavily outside their country, generating a flow of profits that increases national income.

Given that the ESA is revised only every few years, methodological changes can introduce sizeable shifts in measured prosperity and mean that Member States’ relative position within the EU, and thus the amount they are charged under the proportion of GNI principle, can shift noticeably. Individual countries can also revise their procedures for calculating national accounts from time to time, also potentially resulting in sudden jumps in the levels of GNI or GDP. A famous incident was in the 1980s when Italy developed a new approach to measuring its hidden economy, resulting in a big overnight increase in Italian GDP, taking it above that of the UK. At the time, it was described as ‘il sorpasso’ – the overtaking – eliciting the acerbic comment from Margaret Thatcher that she was unconcerned because it meant that Italy would have to pay more towards the EU budget.

The 2014 €2 billion euro demand on the UK

An illustration of how the dry statistical methodology behind the GNI contribution can erupt into a political dispute arose in 2014 when the UK was confronted with a demand to pay an extra €2 billion euros into the EU budget. The explanation was obscure, but purely technical: some countries, notably Germany, had already adopted certain changes in the GNI methodology (reported colourfully, if not entirely accurately, as taking into account earnings from prostitution) while others had not, including the UK. Because the changes in question meant revisions going back a number of years and their effect was to raise the nominal level of UK GNI in each of these years, the UK became liable for a much larger amount than in previous such GNI adjustments. Part of the demand was for 2014, the rest a recalibration of what the UK should have paid in previous years.

Cue splenetic reactions from the Prime Minister: ‘if people think I am paying that bill on 1 December, they have another think coming’. The reaction from the Treasury, which almost certainly knew well in advance that the demand was in the pipeline was more muted and it may, dare it be said, have neglected to brief ministers adequately. Unsurprisingly, the other Member States which benefited from the adjustment kept quiet, but the issue had provoked so much indignation in the UK that a compromise was found under which the UK would pay half in the current year and half in the subsequent fiscal year. In the end, despite veiled suggestions to the contrary from Ministers, the amount due was also halved, in line with the standard functioning of the UK rebate. David Cameron lived up to his promise to the extent that he paid later than December 1st and the bill was not as high as the headlines signalled, but despite the rhetoric, pay he did.

How large is the UK contribution to the EU’s resources?

As one of the largest economies in the EU it is no surprise that the UK is one of the countries asked to pay most towards the EU budget, and the cost of this to the British tax-payer is manifestly one of the contentious issues around UK membership of the EU, leading to claims and counter-claims about the true burden.

The contribution can be measured in a number of different ways, potentially adding to the confusion. As explained above, one possible measure is the hypothetical gross contribution based on requiring each Member State to pay in proportion to its prosperity, as measured by gross national income. However, because of the UK’s rebate and the various other corrections what might be called the *actual* contributions differ from these *ex-ante* gross contributions. To reiterate, the money that national treasuries are obliged to send to Brussels every month is derived from these post-correction actual contributions.

A third concept is the net contribution which is a measure of the difference between what a country pays-in and what it receives from EU spending programmes. The largest of these spending programmes are for supporting agriculture and regional development. Because the UK has a relatively small farming sector and few regions eligible for the most intensive levels of regional development support, the UK's share of EU spending has always been small as a proportion of GNI, explaining why the UK has always been a net contributor to the EU budget.

Measuring the UK contribution

In what follows, the data presented refer only to the **actual** payments the UK makes to the EU budget, in other words the debits that would show on the Treasury's bank account if we could examine them. As recently confirmed to the author by both the UK Treasury and the Directorate-General for the Budget of the European Commission, this is the correct figure for what the UK pays and is always below the hypothetical gross contribution by the amount of the rebate.

It is easy to be misled because of the way EU budget data are presented in official documents. Thus, in its annual publication on the UK's national accounts (the 'Blue Book'), the [Office for National Statistics \(ONS\)](#) separates credits from debits. Rather quaintly, the relevant table refers to the Fontainebleau adjustment – shown in the publications as data series FKKL – derived from the fact that the rebate was agreed at a European leaders' summit hosted by François Mitterrand and held in that town (South of Paris) in 1984. Separate entries in the table show the amounts due under each of the EU own resources in each year, summing up to a figure for 'total identified UK uses' (data series GCSM).

The Treasury, in its regular reports on [European Union Finances](#), always publishes a table showing the notional gross contribution, the rebate, the public sector receipts and the net contribution. Table 1, reproduced from the most recent Treasury report, published in December 2015, shows these data.

Table 1 UK Treasury figures on the UK contributions to the EU budget

	2009	2010	2011	2012	2013	2014	2015
	Outturn	Outturn	Outturn	Outturn	Outturn	Outturn	Estimated Outturn ¹
Gross Payments ²	14,129	15,197	15,357	15,746	18,135	18,777	17,779
Less: UK rebate	-5,392	-3,047	-3,143	-3,110	-3,674	-4,416	-4,861
Less: Public sector receipts	-4,401	-4,768	-4,132	-4,169	-3,996	-4,576	-4,445
Net contributions to EU Budget³	4,336	7,382	8,082	8,467	10,465	9,785	8,473

¹ The figures for 2015 are based on the Office for Budget Responsibility Forecast Supplementary Table (2.24) and converted to sterling. It has been adjusted to take into account the late adoption of amending budget 8 to the 2015 annual budget. Those for earlier years are outturns.

² Gross payment figures include TOR payments at 75 per cent. The remaining 25 per cent is retained by the UK to cover the costs of administering collection on behalf of the EU.

³ Due to rounding, totals may not exactly correspond to the sum of individual items.

Source: Office for Budget Responsibility and HM Treasury

These Treasury figures are close to, but not identical to, the series published by the ONS. It is also important to note that the 'public sector receipts', which are deducted to arrive at the net contribution, do not include other EU spending in the UK which goes directly to the private sector. This excludes, for example, grants from the EU to companies or the income going directly to UK Universities to fund research. This, too, can cause confusion. As the Treasury report explains it [paragraph 3.6], the majority of the public sector receipts 'will either be paid to, or used in support of, the private sector but are

channelled through government departments or agencies'. The report goes on to explain [paragraph 3.7] that 'the EU makes some payments directly to the private sector, for example to carry out research activities. These payments do not appear in the public sector's accounts. It is estimated that in 2013, these receipts were worth £1.4 billion'.

The upshot is that while there are firm figures from UK statistical sources for the public sector's transactions with the EU, there is only an estimate for the additional flow of cash from the EU budget to the UK. A figure for this wider definition of the net contribution can be constructed from the data compiled by European Commission, showing that the UK net contribution is smaller, in general, than implied by the Treasury data.

However, tables published in the annual *Financial Reports* published by the Commission for 'Operating Budgetary Balances' make use of yet another approach which distinguishes between spending that is *for the benefit* of the recipient country and money that, while spent in the country, is *for the benefit of the EU* as a whole. The main difference is expenditure on the various EU institutions and administrative bodies which, although only a small proportion of total EU spending (around 5-6%), tends to be concentrated in certain Member States. This distinction is most pronounced for Luxembourg, a country which hosts several EU institutions – the costs of which are deemed to be for the benefit of the EU as a whole, but not directly for Luxembourg.

The figure calculated by the Commission also excludes traditional own resources, on the revenue side, so that the operating balance is the difference between 'national contribution' and the 'operating expenditure' the latter excluding administration. The rationale given for excluding the ToR is that these are regarded as EU resources, and also that duties collected in a country may in reality be paid by someone in another country. This latter phenomenon is known as the 'Rotterdam effect' because goods from outside the EU which are landed at the Dutch port are processed and have duty levied at the point of entry, even though they may be destined for Germany or another EU country. Unsurprisingly, this gives rise to disputes about whether ToR collected in the Netherlands should be regarded as part of the Dutch contribution to the EU or that of the country of residence of the final customer.

The operating budget balances fluctuate quite a bit from year to year, although the largest net contributors as a % of GNI are usually Germany, Sweden and the Netherlands, while the net beneficiaries are all in central and eastern Europe. The UK is in a cluster along with France, Belgium, Austria and Denmark that are all net contributors on this measure, but to a lesser extent.

The UK contribution in perspective

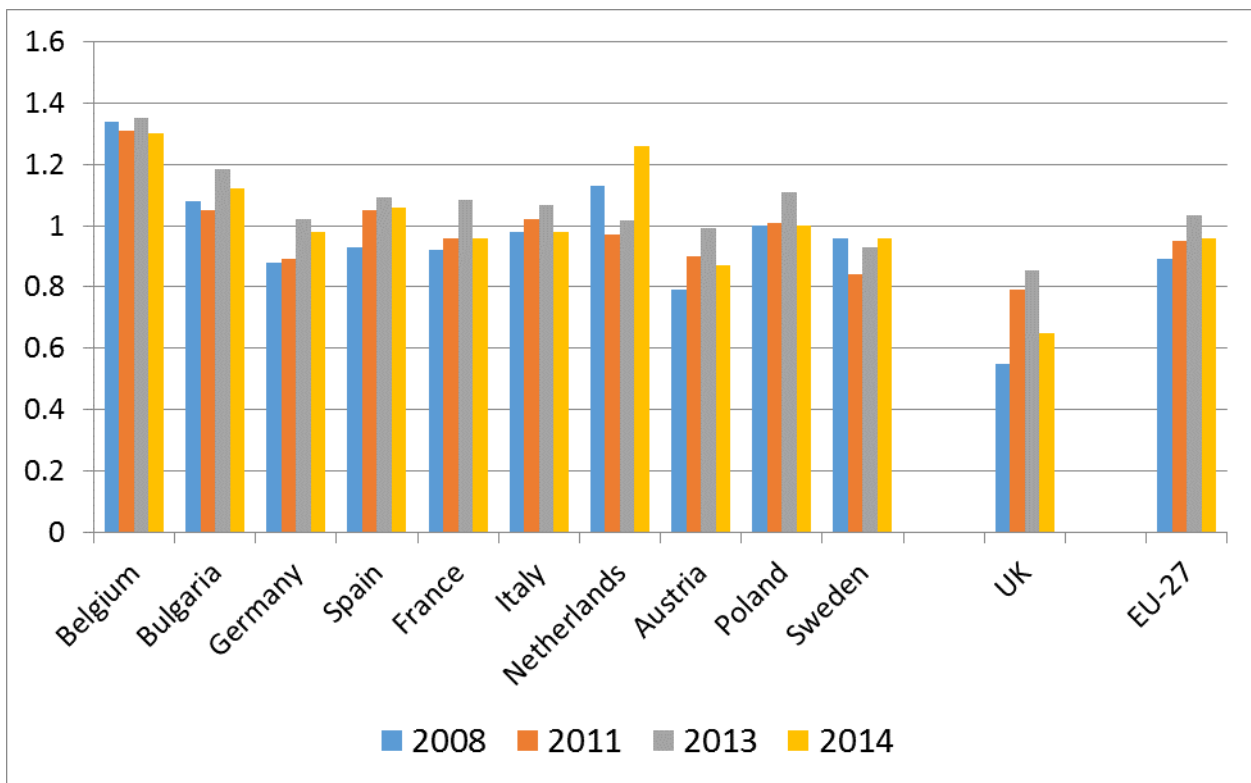
While the detail in previous sections might appear to be confusing and excessive, it is important to be precise about what is being measured, and how, when making comparisons of different sorts about the costs of the EU, as not all the indicators prone to be cited are calculated in a methodologically robust manner. Three types of indicator can be distinguished: those that compare the UK with other Member States; those that seek to relate spending on the EU to alternative uses of public money; and those that estimate cash amounts per person or per household. Yet another complication is that the UK fiscal year runs from April to April, whereas the EU fiscal year (and that of most countries) is calendar years. This means that any budget presented by the Chancellor cuts across two EU fiscal years. Even so the amounts shown in the detail presentations of public expenditure are, once again, net of the rebate. In the relevant table (D.5) [published by the Treasury](#) on November 25th 2015, at the time of the autumn statement, the estimated figure in the fiscal year 2014-15 for expenditure on EU institutions was £10.4 billion, with a separate figure shown for EU own resources of -3.0 (table D.6, showing receipts). If the negative revenue is added to the expenditure, the sum (£13.4 billion) is close to, but not quite the same as the outturn figure for the gross contribution to the EU less the rebate (£14.35 billion shown in Table 1, above).

Comparisons with other Member States

Although the scale of the UK contribution to the EU budget is often highlighted, the evidence is clear that, once adjusted for the size of the economy the UK pays the least. Moreover it has done so consistently. Figure 4 shows the shares of GNI paid by selected Member States in a number of recent years that reflect different stages in the multi-annual EU budgetary framework. Although there are pronounced fluctuations in the amounts contributed in different years, the UK is manifestly the country which contributes least.

EU economies vary enormously in size, from Germany to Malta, with a ratio between them of over a hundred to one. The best means of comparing countries is to relate the amount they pay to the EU to their gross national income (or a related national accounting aggregate). On this measure, the evidence shows clearly that the UK consistently pays a relatively low amount. It fluctuates from year to year, as can be seen in figure 3, but the UK is the lowest in each of the years shown.

Figure 3 Contributions by selected countries to EU own resources, % of national GNI, 2008-14



Source: European Commission spreadsheet of Financial Report Table 2000-2014

An even longer-term perspective is presented in Figure 5, showing that in each year since 2000 the UK has paid well below the EU average. It should be noted that the international standards for estimating the GNI of countries are subject to periodic revision, the last of which occurred in 2010. This can introduce difficulties in constructing longer term series on a strictly consistent basis. Even so, the outcome remains the same all the way back to 1985 when the rebate was introduced (because the earlier data are not strictly comparable they are not shown in the figure).

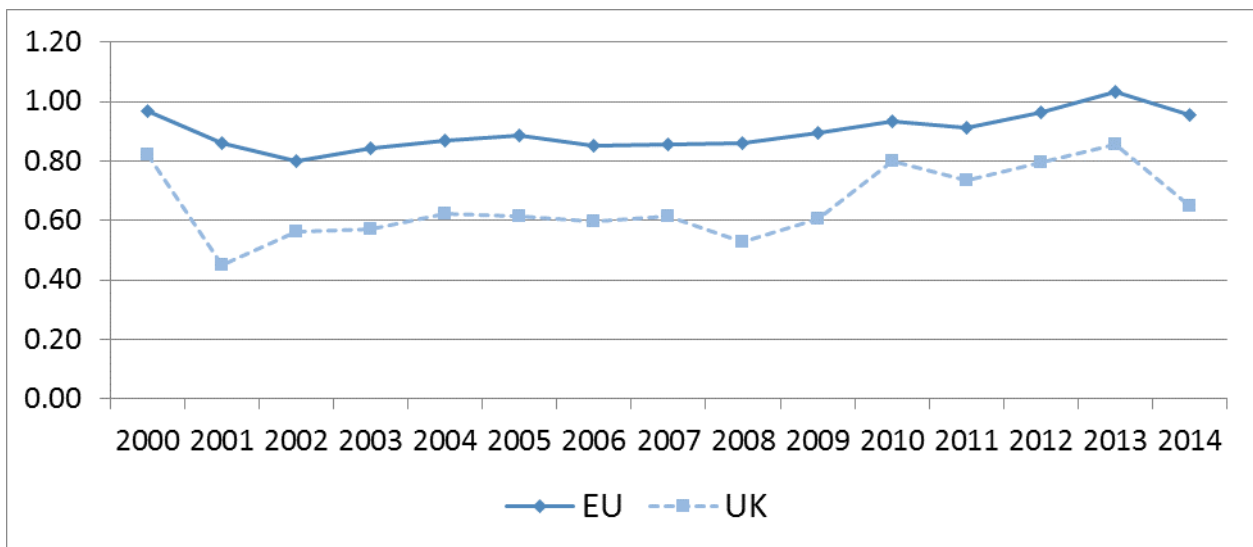
Comparisons with other UK public expenditure or revenue

Debate on UK public spending often uses spending on hospitals, doctors or nurses as a benchmark for other spending. For example the Vote Leave paper referred to above states that the amount paid to the

EU was 'over 56 times larger than the 2015/16 NHS cancer fund (340 million)'. As with the half a trillion aggregate payment claim, this is again misleading because the benchmark used is the hypothetical £19.1 billion gross contribution not the actual amount paid to the EU.

Once the rebate is deducted, the headline value becomes £14.7 billion and, using this as the benchmark, the '56 times' figure becomes '43 times'. If the Treasury definition of net contribution (defined, as explained above only in terms of public sector transactions) is the comparator used, the multiplier falls to '27 times'. It is a moot point whether the actual payment or the net contribution is the most appropriate indicator to use and there will be many who argue that whether it is 43 or 27, it is still too much. Nevertheless, the use of the exaggerated figure derived from using the *ex-ante* gross contribution is wrong.

Figure 5 'Own resources' of the EU, and from the UK, 2000-14 (% of respective GNI)



Source: European Commission spreadsheet of Financial Report Table 2000-2014

Yet, it can be useful to relate what we spend on the EU to other totals. For example, the entire proceeds from excise duties on tobacco (£9.3 billion in the fiscal year 2014-15) were not enough to fund what the UK paid to Brussels that year. On the other hand, UK central government interest paid in the same fiscal year was £45.2 billion, some three times the cost of the EU, while the EU cost three times what the BBC does. The list could be endless...

Per capita or per household

Much the same logic applies to calculations of how much the EU costs each person or household, often portrayed as 'the tax-payer'. The per capita payment by UK residents to the EU is the total actually paid divided by the number of people or households in the UK. Because the total number of households is less than half the total population, the figure per household is bound to be higher than the figure per person, yet it is not unusual to see both used in the same analysis, depending on whether the aim is to draw attention to a dramatically high or low number. A different message can often be conveyed by selecting either households or individuals.

Whether it is appropriate to use the actual payment to the EU or one of the net contribution figures depends largely on the purpose for which the ratio is being used. If the question is how much does the EU cost each of us (on average) per year, week or day, it is arguably best to use the actual payment, with the corollary that this indicator would ignore any money flowing back to Britons from spending

programmes of the EU. Using the £14.7 billion figure and the estimated UK population of 64.35 million, the answer is that in 2014, the EU cost each of us £228.44, translating into £4.40 per week. Such figures can then be used for all sorts of comparisons. £228 per year is less than the price of a half-season ticket at a Championship football club like Brighton (£265) or a full season ticket at second division Cambridge United (£275), never mind the big boys like Arsenal (two of the best seats to see them play Southampton would set you back £240). £4.40 per week equates to ten cigarettes or a couple of not very exotic coffees at Costa.

Why the half a trillion pounds claim is wrong

A good example is that, on New Year's eve, 2015, *The Times* newspaper had a prominent headline on its front page stating that "Britain's payments to EU hit £500 billion". This was based on a [paper published by the Vote Leave](#) campaign which had calculated how much the UK had paid into the EU budget since joining in 1973, using the technique of inflating the cash payments from earlier years to 2014 prices, then aggregating the 43 years of payments. Thus, the UK paid £187 million to the EU in 1973, but between 1973 and 2014, prices in the UK rose nearly tenfold, so that at 2014 prices the 1973 payment is equivalent to £1.86 billion.

The problem with the Vote Leave calculation is that it overlooks the rebate that the UK has received since 1985. As explained above, the actual payment the UK makes always has the rebate deducted which means that the gross contribution data on which the Vote Leave headline figure is based greatly exaggerates what UK taxpayers have actually 'sent to Brussels'.

A direct parallel is with the assessments of income owed by individual tax-payers. Someone with an annual income of £60,000 will be in the 40% band, but although 40% of £60,000 would be £24,000, the amount owed is substantially reduced because of the personal allowance and certain other allowances, and because the [first tranche of income tax is levied at 20%](#). The key point is that although the individual's tax calculation will show gross amounts in each tax band, the actual payment that has to be made to HMRC is always much lower. Just as the individual does not send the gross amounts to HMRC and then has the allowances paid back, the UK only pays the amount due after the rebate has been taken into account.

In the Vote Leave paper, the GDP deflator published by the Office of National Statistics is used to inflate the UK contributions from earlier years. To arrive at an accurate figure, the same deflators have been used to calculate the value at 2014 prices of the rebates received in the thirty years from its introduction in 1985 up to 2014. These total £108.9 billion at 2014 prices and mean the figure quoted in the *Times* article exaggerates the true figure by some 29%.

Concluding comments

It is little wonder that, with the plethora of concepts and measures, so many different interpretations can be put on the gross and net flows to and from the EU budget. What the various ways of measuring the UK contribution to the EU budget show is just how easy it is to present the same basic data as either massive or trivial. Paying many times as much for the EU as for cancer treatments sounds close to criminal, yet who would miss a couple of lattes a week?

There is also a tendency to mix up data that concern different issues. For example, the half trillion pounds article in *The Times* cites a retort to the *Vote Leave* analysis from its rival, *Britain Stronger in Europe*, that the average UK household is £3,000 per year better off through belonging to the EU. This may or may not be a well-founded statistic, but it is derived from an assessment that has nothing to do with the EU budget – in other words, apples are being compared with oranges.



Nevertheless there are reasonable interpretations and those which, quite intentionally, are 'spun' to make political points even though they are – bluntly – an abuse of statistics. The UK does not face an unfair share of the burden of paying for Europe, but is clearly a net contributor. We face terms similar to, or better than, comparable countries.