

Bruegel

A N N U A L R E P O R T

2005



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About Bruegel

BRUEGEL AIMS TO CONTRIBUTE TO THE QUALITY OF ECONOMIC POLICYMAKING IN EUROPE THROUGH OPEN, FACT-BASED AND POLICY-RELEVANT RESEARCH, ANALYSIS AND DISCUSSION.

Bruegel is defined by five key features:

Outward-oriented focus. The European Union is an open market economy and a major world player. It must enrich its policy debates, which too often suffer from an inward-looking bias, and develop genuine policy discussions with other international economic players. Bruegel aims to contribute to a better understanding of the economic challenges and global responsibilities facing Europe in the context of globalisation.

Evidence-based policy recommendations. Bruegel does not stand for any particular policy doctrine. Its research, which is conducted both in-house and through partnerships with other research organisations, draws on state-of-the-art analysis to assess economic transformations, discuss policy options and propose recommendations – while always keeping an eye on their practical feasibility.

Demand-driven questions, independent answers. Bruegel's Research Programme is set by the Board, in which the diversity of Bruegel's stakeholders is represented. Decisions on new research projects follow extensive discussions with Bruegel's members. Once a research topic is chosen, however, research and publications are fully independent. All publications are released under the signature of their author(s), and Bruegel itself abstains from taking any policy positions.

Linking government, research, business and civil society. Bruegel provides a forum for informed discussions between individuals from diverse backgrounds. It builds on the diversity of experience of its stakeholders to develop interaction between communities. Bruegel also aims to cooperate with leading European and international research institutions on specific research projects.

European reach. From the outset, Bruegel has adopted a pan-European approach. It addresses topics for which policy responsibility rests with individual states, the European Union, or international organisations. It intends to develop its presence in national debates across Europe, as well as Brussels and international discussion forums.

BRUEGEL'S NAME, while referring to a 'Brussels European and Global Economic Laboratory', pays tribute to Pieter Bruegel ("the Elder"), widely considered to have been one of Europe's most innovative painters in the 16th Century. Pieter Bruegel's son and nephew were also renowned painters who spelled their name as Breughel; Bruegel the Elder, however, signed most of his masterpieces with "Bruegel". Bruegel's name was unanimously adopted by the Board in January 2005 and was made the association's official name on 30 June 2005 by the General Assembly. In April 2005 Bruegel adopted its current visual identity, created by Jean-Yves Verdu.

Bruegel's Members

BRUEGEL WAS FORMALLY CREATED IN AUGUST 2004 AS AN INTERNATIONAL NON-PROFIT ASSOCIATION UNDER BELGIAN LAW (AISBL).

The association's members contribute most of Bruegel's funding through the payment of yearly subscriptions (see section on financials). There are currently two categories of members, namely state members and corporate members. Bruegel's twelve founding state members in 2004

have since been joined by Austria (October 2005), and more recently, Luxembourg (February 2006). The group of corporate members has also grown, from 17 in 2004 to 23 by end-2005 and 27 by mid-2006; new members in 2006 are Areva, EMI, GE and IBM.

Bruegel's State members (as of May 2006)

Austria
Belgium
Denmark
France
Germany
Hungary
Ireland
Italy
Luxembourg
The Netherlands
Poland
Slovenia
Spain
The United Kingdom

Bruegel's Corporate members (as of May 2006)

Areva
BP
DaimlerChrysler
Deutsche Börse
Deutsche Post World Net
Deutsche Telekom
EADS
EMI
Euronext
Fortis
GE
Goldman Sachs
Hellenic Petroleum
Iberdrola
IBM
Nokia
Novartis
PricewaterhouseCoopers
Renault
RWE
Sanpaolo IMI
Siemens
Suez
Telecom Italia
Telefonica
Thomson
Unicredit / HVB

Governance

THE BASIS FOR BRUEGEL'S GOVERNANCE IS FORMED BY ITS STATUTE AND BYLAWS, BOTH OF WHICH CAN BE DOWNLOADED FROM BRUEGEL'S WEBSITE.

The General Assembly

The General Assembly brings together all members of Bruegel. It met once in 2005, on 30 June. The same day, there was a meeting of the Group of States which includes all state members of Bruegel.

The Board

Bruegel's Board plays a central role in administering Bruegel and guaranteeing the quality and independence of its work. Among many responsibilities, the Board is the decision-making entity in regard to Bruegel's research programme, which is prepared on the basis of a wide consultation of Bruegel's members.

The Board met four times in 2005, with an average attendance rate of 85% of its ten members. It adopted its own internal rules of procedure in June 2005. All current Board members were elected in December 2004 for a three-year term under the electoral process set by Bruegel's bylaws:

Mario Monti, Chairman of Bruegel since January 2005, is also the President of Bocconi University in Milan and an international advisor to Goldman Sachs.

Frank Dageard is the Chairman and CEO of Thomson. He is also a Board member of EDF, Orange, Calyon and Eutelsat.

Caio Koch-Weser is Vice Chairman of Deutsche Bank Group as well as member of the Advisory Board of the Bertelsmann Foundation and the World Economic Forum.

Klaus Mangold is the Executive Adviser to the Chairman of DaimlerChrysler AG. He is also member of the supervisory boards of Rothschild Europe, Chubb Corporation, Jenoptik, Metro, and Magna International.

Jim O'Neill is Head of Global Economic Research for Goldman Sachs. He is also involved in a variety of British educational charities, including the London-based SHINE of which he is a founding trustee.

Peter Praet is Director of the National Bank of Belgium and a member of the executive committee of the Banking, Insurance and Financial Commission of Belgium.

György Surányi is the Head of Central and Eastern Europe Region at Banca Intesa Group and a Professor at Budapest University of Economics and the Central European University.

Laura D'Andrea Tyson is Dean of London Business School, and a Board member of the Brookings Institution, the Council on Foreign Relations, Institute of International Economics, Eastman Kodak Company, Morgan Stanley Company, and SBC Communications.

David Vegara Figueras is Secretary of State for Economic Affairs within the Spanish Ministry of Economy and Finance.

Helen Wallace is the Director of the Robert Schuman Centre for Advanced Studies at the European University Institute in Florence and Chair ad honorem of the Conseil universitaire européen pour l'Action Jean Monnet.

Governance

The Scientific Council

The Scientific Council was appointed by the Board in the first half of 2005 and met twice in the second half of the year. Its role is to advise Bruegel's Board and Director and to assess the scientific quality of Bruegel's output. It includes eight members on a three-year term:

Paul Seabright, Chairman of the Scientific Council since September 2005, is a Professor of Economics at the University of Toulouse-1. He is also Managing Editor of Economic Policy and a Research Fellow of the Centre for Economic Policy Research (CEPR). He is the author of *The Company of Strangers: A Natural History of Economic Life* (Princeton University Press, 2004).

Isher Judge Ahluwalia is the chairwoman of the Indian Council for Research on International Economic Relations (ICRIER) in New Delhi. She is also chair of the Board of Trustees of the International Food Policy Research Institute and a member of the Governing Body of the Global Development Network.

J. Peter Neary is a Professor of Political Economy at University College Dublin, and a Research Fellow of the Centre for European Policy Research (CEPR).

Dani Rodrik is a Professor of international political economy at the John F. Kennedy School of Government, Harvard University. He is affiliated with the National Bureau of Economic Research (NBER), the CEPR, the Center for Global Development, the Institute for International Economics, and the Council on Foreign Relations.

Lars-Hendrik Röller is the Chief Economist at the Directorate-General of Competition of the European Commission, on leave from his Berlin-based positions of Professor of Economics at Humboldt University and Director of the Institute on Competitiveness and Industrial Change at the Wissenschaftszentrum Berlin für Sozialforschung.

Nicholas Stern is Head of the UK Government Economic Service. He is also a Visiting Professor of Economics at the London School of Economics and Political Science and a Visiting Fellow of Nuffield College in Oxford.

Jaume Ventura is a Senior Researcher at the Centre de Recerca en Economia Internacional (CREI) in Barcelona, Spain. He is also a Faculty Research Fellow at the NBER, a Research Affiliate at CEPR, and the Associate Editor of the *Review of Economics and Statistics*, the *Bepress Journals in Macroeconomics and Moneda y Crédito*.

Luigi Zingales is the Robert C. McCormack Professor of Entrepreneurship and Finance at the Graduate School of Business of the University of Chicago. He is also a faculty research fellow of the NBER, a research fellow at CEPR, a fellow of the European Corporate Governance Institute and a director of the American Finance Association.

Team Development

IN EARLY 2005, BRUEGEL ONLY HAD A LIMITED PROJECT TEAM EMPLOYED ON A FIXED TERM BASIS. THE TEAM EXPANDED SIGNIFICANTLY IN THE COURSE OF THE YEAR AND IN APRIL 2005 MOVED INTO ITS CURRENT PREMISES, ON RUE DE LA CHARITÉ 33 IN A CENTRAL BRUSSELS LOCATION.

The initial Bruegel project team consisted of Jean Pisani-Ferry (Project Manager), Nicolas Véron (Development and Administration Manager), Jozefien Van Damme (Development Officer) and Noëlla Kuneben (Administrative Assistant). By 31 December 2005 the team included 12 members, of which 10 spend all, or most, of their working time at Bruegel:

Alan Ahearne, *Research Fellow*, holds a PhD from Carnegie Mellon University and has previously been a Senior Economist at the Federal Reserve Board's Division of International Finance. An Irish and US citizen, he is also Vice Dean for Research at the J.E. Cairnes Graduate School of Business and Public Policy at the National University of Ireland, Galway. His research at Bruegel focuses on macroeconomics and monetary issues.

Narcissa Balta, *Research Assistant*, is a PhD student in Economics at ECARES, Université Libre de Bruxelles. A Romanian citizen, her research interests are macroeconomics, international finance, and market microstructure with a strong quantitative focus on econometrics/time series analysis.

Juan Delgado, *Research Fellow*, has worked at the Spanish Telecoms regulator and the European Commission (DG COMP) before spending a year at Harvard as Repsol YPF Fellow, in 2004-05. A Spanish citizen, he holds a PhD in Economics from Universidad Carlos III (Madrid). His research at Bruegel focuses on competition and integration.

Jürgen von Hagen, *Non-resident Senior Fellow*, develops research projects for Bruegel from his

current position as Professor of Economics and director of the Institute for International Economics at the University of Bonn. His current interests include the macro-economics of European integration and the euro area and European public finance.

Yvonne Hilario, *Office Coordinator & Executive Assistant*, has held a number of administrative positions in Brussels-based international law and consulting firms after moving to Belgium in 1980 from the Philippines. In the late 1990s, she worked in Southeast Asia for McKinsey where she was involved in setting up the firm's offices in Bangkok, Jakarta, Kuala Lumpur, Manila and Singapore.

Fulvio Mulatero, *Research Assistant*, is a PhD student in economics at Université Libre de Bruxelles. An Italian and Swiss citizen, his research addresses the impact of international outsourcing on the labour markets of industrialised countries.

Sonia Patel Amin, *Administrative Assistant*, was born and raised in Nagpur where she taught IT and held several administrative positions before moving to Brussels in 2003.

Jean Pisani-Ferry, *Director*, combines an academic background, including as head of Paris-based CEPII from 1992 to 1997, with high-level policy experience in France and at the European Commission. He is also a professor of Economics at Université Paris-Dauphine and a member of the Group of Economic Policy Analysts, an independent advisory body to the European Commission's President. Additionally, he is the vice-president of the French economic association (AFSE) and a member of the French Prime Minister's Council of Economic Analysis.

Team Development

Reginald (Reg) Rea, *Editor*, is a writer and broadcaster specialising in business and economics. Born in Northern Ireland, he started his journalistic career with the *Belfast Telegraph* newspaper, and worked for ten years as a Business Correspondent with the BBC. He has also acted as a consultant for a number of leading European public and private sector organisations including the European Commission.

André Sapir, *Senior Fellow*, was economic advisor to the President of the European Commission from 2001 to 2004. A Belgian citizen, he is simultaneously a Professor of Economics at Université Libre de Bruxelles. He is also a member of the European Commission's independent Group of Economic Policy Analysis (GEPA), a Research Fellow of the Centre for Economic Policy Research (CEPR), and a founding Editorial Board Member of the *World Trade Review*.

Nicolas Véron, *Research Fellow and Chief Development Officer*, has a background in both policymaking and corporate management, including as partner of ECIF, a consultancy he founded in 2002. A French citizen, he is a financial columnist in *La Tribune*, France's second-leading business daily, and the co-author of *Smoke & Mirrors, Inc.: Accounting for Capitalism* (Cornell University Press, 2006). His research at Bruegel focuses on financial services and capital markets, and he is simultaneously responsible for Bruegel's administration and development.

Jakob von Weizsäcker, *Research Fellow*, previously worked at the World Bank in Washington, the German Federal Economics Ministry and Vesta, a venture capital firm, as well as the Center for Economic Studies (CES) in Munich and CIREP in Paris. His research at Bruegel focuses on migration and development, and he also coordinates Bruegel's Economic Policy Seminar.

In addition, **Claire Delpuech** was a trainee at Bruegel in late 2005.

Furthermore, between January and May 2006 Bruegel's team has welcomed **Matt Dann**, as Outreach Manager; **Andreas Unterstaller**, as Outreach Officer; and **Manuela Naessl**, as Research Assistant.

Research

BRUEGEL'S INITIAL RESEARCH PROGRAMME COVERS THE PERIOD UP TO THE END OF 2006, AND WAS ADOPTED BY BRUEGEL'S BOARD IN OCTOBER 2005 ON THE BASIS OF PRIOR CONSULTATION OF ALL BRUEGEL'S MEMBERS.

It is based on four main policy themes:

- 1. Europe's growth and reform strategy**
- 2. Integration and competitiveness**
- 3. Challenges and policies for the Euro Area**
- 4. Europe and the world economy**

The first theme is an ongoing work on economic policy frameworks and priorities, especially through dialogue with the successive presidencies of the EU which started in 2005 with André Sapir's reflection on social models and Bruegel's first Policy Brief. Under the three other themes, the programme includes a number of projects whose execution will combine publications, organisation of events at Bruegel, and external outreach:

European integration benchmarks. There are few widely accepted quantitative measures providing a synthetic view of economic integration within the EU. This project's aim is to set a range of indicators to measure the European integration trends and compare them to integration dynamics within countries and on a global scale.

Financial integration and corporate funding. Different views currently exist on whether European financial markets need further integration efforts in the near future. The aim of this project is to provide an economic assessment of this policy issue from the point of view of corporate funding, by analysing how different legislative and regulatory options may affect the conditions of access to external capital for European companies, including small-and-mid-sized ones.

The new migration issue. The national character of migration policies was sustainable as long as migration flows remained minor, but globalisation and enlargement are changing the context. This project aims to better understand the economic consequences of the fact that skilled and unskilled people are on the move again, and to identify possible policy responses, including the shifting of certain decisions to European level and further differentiation between unskilled and skilled populations.

Globalisation, enlargement and the new industrial organisation of Europe. The new geography and heterogeneity which result from the 2004 enlargement are still insufficiently analysed and taken into account in policy formulation. This project, which has not yet been launched, will aim to specifically analyse the consequences of enlargement on European economic integration in a globalised economy, and the implications for the EU's approach to regulation and competition.

Global economic adjustment and the choices for Europe. There is abundant literature about global financial imbalances, with insistence either on US deficits or on the "saving glut" in the Middle East and Asia. However, relatively little attention has been given to the stakes of this issue for Europe, and how the EU may specifically respond to the related risks. This project aims to fill this gap and identify possible strategies for Europe and the euro area.

Research

Economic divergence within the euro area.

Prolonged growth and inflation divergence between different countries of the euro area are documented by a growing body of evidence. This project aims to determine whether this phenomenon can be expected to be self-correcting or should be a cause for concern over the longer term, and what are the resulting policy options.

The international economic policies of the

European Union. The EU has external economic policies in many areas including trade, energy, development, environment, financial regulation, competition, technology, etc. This project aims to assemble analyses of these various policies, thus examining how far they add up (if at all) to a strategy and what are the comparative advantages of their different governance models.

Finally, Bruegel is exploring the possibility of a partnership with a leading North American policy research institute to jointly explore a specific issue related to global economic integration.

Outreach

Publications

Bruegel's main publication format so far is its Policy Brief Series, launched in late 2005. Two **Policy Briefs** were published in 2005:

2005/01 (November 2005): **Globalisation and the Reform of European Social Models**, by **André Sapir**;

2005/02 (December 2005): **Global Current Account Imbalances: How to Manage the Risk for Europe**, by **Alan Ahearne** and **Jürgen von Hagen**.

Bruegel also launched in December 2005 its **Working Papers** series, with the publication of *Fiscal Policy in EMU: Towards a Sustainability and Growth Pact?* by **Benoît Coeuré** (École Polytechnique, Paris) and **Jean Pisani-Ferry**.

In addition, Bruegel published several occasional papers including *The Accidental Player*, which Jean Pisani-Ferry presented at a conference organised by ICRIER in New Delhi in November 2005.

Press and Media

238 articles published in 2005 included a reference to Bruegel or a quote or interview of a Bruegel scholar. In addition, during the year Bruegel's scholars published 17 opinion articles in various leading titles of the European press and were also interviewed or participated in talk shows on various radio and television networks.

Website

All Bruegel's publications are made available on Bruegel's website, www.bruegel.org. The website was initially created in January 2005 and thereafter followed Bruegel's development, including a comprehensive redesign in June 2005.

Over the year the website welcomed more than 23,000 unique visitors, consistently attracting more than 3000 unique visitors per month after the Bruegel core team was assembled in September. Once PDF documents were made available for download from the website in October, almost 12,000 downloads were recorded on the website. September saw the launch of the website's "members' area" where Bruegel's members have access to reports, agendas, upcoming events, and other information.

Events

Over the year the format for different events at Bruegel evolved into a regular programme which has been sustained into 2006. The unifying factors of all Bruegel's events of 2005 are a high quality of debate, the expectation of all attendees to contribute, a balanced mix of researchers and practitioners and an emphasis on the results of research and fact-based policy recommendations.

lunchtalk@bruegel is a series of events that began on September 29th with a presentation by **Michael Deppler**, Director of the European Department at the International Monetary Fund. It was followed a few weeks later by a debate between Bruegel Senior Fellow **André Sapir** and European Trade Union Confederation (ETUC) General Secretary **John Monks**, on the question "Does Europe need a Social Policy?" On December 6th, **Lars Calmfors** presented a report on "What Remains of the Stability Pact and What Next", which was written for SIEPS, the Swedish Institute for European Policy Studies.

Bruegel's **Economic Policy Seminar** began at the very end of 2005 with a lunchtime presentation by **Dani Rodrik**, Professor of International Political Economy at Harvard University's Kennedy School of Government. This was entitled "It is not How Much but What You Export that Matters," and was based on a research paper co-written by Prof. Rodrik with

Outreach

Ricardo Hausmann and Jason Hwan. Speakers at the Economic Policy Seminar are selected by an Organising Committee which includes three Bruegel scholars and six outside experts and academics.

Bruegel also started a series of **Workshops**, longer events which typically include several presentations and roundtable sessions in a day. There were three such workshops in 2005.

“Europe’s Productivity Drift – and How to Reverse It” (in May) included presentations by Martin Baily (IIE), Gilbert Cette (Banque de France), Francesco Daveri (University of Parma), Andrea Gavosto (Telecom Italia), Gert-Jan Koopman (European Commission), Sigurd Naess-Schmidt (Danish Ministry of Finance), Giuseppe Nicoletti (OECD), and Bart Van Ark (University of Groningen), as well as Mario Monti, Jean Pisani-Ferry and André Sapir from Bruegel.

“A European Single Market for Services: Do we need it? How do we get there?” (in November) included presentations by Gérard Belet (France’s Finance Ministry), Riccardo Faini (University of Rome), George Gelauff (Netherlands Bureau for Economic Policy Analysis), Malcolm Harbour (Member of the European Parliament), Francis Kramarz (CREST-INSEE, France), Jan Michalek (Warsaw University), Jaroslaw Pietras (Poland’s Secretary of State for European Affairs), and Gerard Putnam (PricewaterhouseCoopers), as well as Juan Delgado and Jean Pisani-Ferry from Bruegel.

“Divergence within the euro area: Does it matter? What should be done?” (also in November) was jointly organised with the European Commission’s DG ECFIN and included presentations by Fernando Ballabriga (ESADE Business School), Henk Brouwer (De Nederlandsche Bank), Willem Buiter (London School of Economics), Eric Chaney (Morgan Stanley), Jean-Philippe Cotis (OECD), Philippe Moutot (European Central Bank), Erik Nielsen (Goldman Sachs), David Vegara Figueras (Spanish Finance Ministry), and Ignazio Visco (Banca d’Italia).as well as

Hervé Carré, Servaas Deroose, Werner Roeger, Marco Buti, Max Watson and Klaus Regling from ODG ECFIN and Alan Ahearne and Jürgen von Hagen from Bruegel.

Finally, a milestone 2005 event was the two-day conference on **“The WTO at Ten Years – The Regional Challenge to Multilateralism”** which Bruegel organised in late June in partnership with the World Bank and Tuck School of Business at Dartmouth, USA. It included a number of working sessions involving 33 leading global experts in trade policy and research, including a dinner at Erasmus’ House in Brussels with Pascal Lamy as keynote speaker, and a concluding policy panel moderated by Mario Monti and featuring Zhenyu Sun (China’s Ambassador to the World Trade Organization), Peter Sutherland (Chairman of BP and of Goldman Sachs International), Clayton Yeutter (of counsel to Hogan and Hartson LLP) and Ernesto Zedillo (Director of the Yale Center for the Study of Globalization).

Dialogue with Policymakers

Direct dialogue with key policymakers is an integral part of Bruegel’s outreach. It was initiated in 2005, most notably with André Sapir’s presentation on “Globalisation and the Reform of European Social Models” to the informal ECOFIN Council in Manchester (in September), at the invitation of the British Presidency of the European Union.

Financials

**BRUEGEL'S ACCOUNTS FOR THE YEAR 2005 WERE CLOSED
BY THE BOARD ON 3 MAY 2006.**

Marie-Chantal DEBROUX-LEDDET

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AISBL International Association
BRUEGEL, Rue de la charité, 33 - 1210 Brussels - Belgium

**STATUTORY AUDITOR'S REPORT FOR THE YEAR ENDED DECEMBER 31, 2005
to the General Assembly of the International Association to be held in June 2006**

In accordance with legal and statutory requirements we are pleased to report to you on the performance of the audit mandate which you have entrusted to us.

We have audited the financial statements for the year ended December 31, 2005 which have been prepared under the responsibility of the Board of directors and which show a balance sheet total of 2.131.381,07 euros and a surplus for the year of 1.142.985,27 euros.

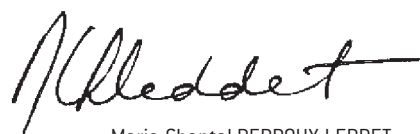
Unqualified audit opinion on the financial statements

We conducted our audit in accordance with the standards of the « Institut des Réviseurs d'Entreprises », as concerns such kind of associations. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, taking into account the legal and regulatory requirements applicable to financial statements in Belgium.

In accordance with those standards, we considered the association's administrative and accounting organisation, as well as its internal control procedures. Association's officials have responded clearly to our requests for explanations and information and we thank them for this. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing accounting principles used and significant accounting estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, taking into account the applicable legal and regulatory requirements, the financial statements give a true and fair view of the association's assets, liabilities, financial position as of December 31, 2005 and the results of its operations for the year 2005 then ended.

Brussels, May 11th, 2006



Marie-Chantal DEBROUX-LEDDET
Certified Auditor

BALANCE SHEET 2005 - 2004

	2005	2004
ASSETS		
FIXED ASSETS	147,039.52	11,041.93
Furniture and office equipment	146,309.21	11,041.93
Financial fixed assets		
Bank guarantee	730.31	
CURRENT ASSETS	48,334.27	49,903.57
Receivables	365.15	38,702.93
Other amounts receivables		
VAT recoverable	34,478.69	10,029.549
Financial income to receive	9,744.71	-
Other debtors	3,745.72	1,171.10
CASH & CASH EQUIVALENTS	1,911,311.95	926,723.88
DEFERRALS AND ACCRUALS	24,695.33	
Deferred rent	23,110.50	
Deferred insurance	1,584.83	
TOTAL ASSETS	2,131,381.07	987,669.38
LIABILITIES		
CURRENT LIABILITIES	80,637.41	79,910.99
Trade payables	30,637.41	22,408.18
Prepaid income	50,000.00	46,809.00
Other deferrals and accruals	-	10,693.81
NET ASSETS		
NET ASSETS	2,050,743.66	907,758.39
Reserves		
Surplus of the year	1,142,985.27	907,758.39
Accumulated reserves from last year	907,758.39	-
TOTAL LIABILITIES AND NET ASSETS	2,131,381.07	987,669.38

INCOME STATEMENT 2005-2004		
	2005	2004
REVENUE		
Subscriptions - State Members (1)	1,114,856.00	1,106,250.01
Category 1 - Slovenia	11,702.00	
Category 2 - Ireland	46,809.00	
Category 3 - Austria, Denmark, Hungary	120,172.00	
Category 4 - Belgium, The Netherlands, Poland	234,043.00	
Category 5 - France, Germany, Italy, Spain, UK	702,130.00	
Subscriptions - Corporate Members	1,000,000.00	-
Full-Year Corporate Members (2)	900,000.00	
Corporate Members which joined during the year (3)	100,000.00	
Other subscriptions	-	1.00
TOTAL SUBSCRIPTION REVENUE	2,114,856.00	1,106,251.01
EXPENSES		
Wages and Compensation	-647,095.16	-121,423.35
Other operating expenses	-308,111.80	-74,430.20
Travel costs (staff, board and scientific council)	86,851.12	22,694.23
Documentation costs	8,640.02	391.90
Printing costs	14,673.87	-
Organisation of events and other outreach-related costs	44,328.79	2,439.35
Office rents and charges	28,859.21	9,349.28
Telephone and internet costs	16,061.16	3,064.84
Advisory & professional services	39,147.15	21,081.28
Other operating expenses	69,550.48	15,409.32
Depreciation charges	-48,931.54	-2,470.17
Net financial income	32,267.77	-168.90
Financial income	40,375.87	-
Financial charges	-2,069.39	-168.90
Withholding Tax	-6,038.71	-
TOTAL EXPENSES	-971,870.73	-198,492.62
NET SURPLUS	1,142,985.27	907,758.39

Notes

(1) Austria joined in October 2005 and therefore paid a reduced subscription. Furthermore, in accordance with Article F.4 of Bruegel's Bylaws new member states (Slovenia, Hungary and Poland) paid a subscription reduced by half compared with other members in the same category.

(2) DaimlerChrysler, Deutsche Börse, Deutsche Post World Net, Deutsche Telekom, EADS, Euronext, Fortis, Goldman Sachs, HVB, Iberdrola, PricewaterhouseCoopers, Renault, RWE, Siemens, Suez, Telecom Italia, Telefonica, and Thomson, each of which was subject to a €50,000 yearly subscription.

(3) BP, Hellenic Petroleum, Nokia, Novartis, and Sanpaolo IMI.

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Press and events

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