Mobilisation of the European Globalisation Adjustment Fund: redundancies in the car production sector in France

2007/2168(ACI) - 12/07/2007 - Non-legislative basic document

PURPOSE: to mobilise the European Globalisation Adjustment Fund to cover the cost of redundancies in French car production sector.

PROPOSED ACT: Decision of the European Parliament and of the Council.

CONTENT: The European Union created a European Globalisation Adjustment Fund to provide additional support to redundant workers who suffer from the consequences of major structural changes in world trade patterns and to assist them with their reintegration into the labour market.

The Interinstitutional Agreement of 17 May 2006 allows the mobilisation of the Fund within the annual ceiling of EUR 500 million.

In March 2007, France submitted applications to mobilise the Fund, in respect of two cases concerning redundancies in the automobile sector, specifically suppliers to Peugeot SA and Renault SA. The Commission considers that the two applications meet the intervention criteria and other requirements laid down in Regulation (EC) No 1927/2006.

The proposed amount of **EUR 3 816 280** determined in accordance with Article 10 of Regulation (EC) No 1927/2006 should, therefore, be mobilised.

The most important elements of the assessments can be summarised as follows:

Case EGF/2007/01/FR/Peugeot SA: the application demonstrates a total of 1 345 notified redundancies, involving 18 different enterprises, operating at 38 different sites in eleven French regions, amongst the industry supplying car parts to Peugeot SA (PSA) during the four-month

period of reference (1 September 2006 to 31 December 2006). The application, however, proposes to provide assistance co-financed by the EGF, only to the 267 workers made redundant by one of these suppliers, the *Ateliers de Thomé Génot* in Nouzonville (Département des Ardennes), which has gone into liquidation and is no longer in a position to provide effective assistance to its workers.

The Commission is proposing to accept application EGF/2007/01/FR/PSA submitted by France relating to the redundancies in the suppliers of Peugeot SA, as evidence has been provided that these redundancies result from major structural changes in world trade patterns which have led to a serious economic disruption, which, in the case of the *Ateliers de Thomé Génot*, the company for whose workers assistance is sought, affects the local economy. A coordinated package of eligible personalised services for the amount of EUR 5 116 500 has been proposed of which the requested contribution of the EGF is EUR 2 558 250.

Case EGF/2007/02/FR/Renault SA : according to the details provided by the French authorities 1 057 redundancies amongst 10 different suppliers to Renault SA, have come into effect during the four month period between 01/12/2006 and 31/03/2007. EGF support is only requested for the 628 workers of *Cadence Innovation*, with production sites in Burhaupt-le-Haut (Alsace), Vernon (Haute Normandie),

Noeux-les-Mines (Nord-Pas-de-Calais) and Pouancé (Pays de la Loire). This enterprise is being wound-up by court order and as such is no longer in a position to provide effective assistance to its workers.

The Commission is proposing to accept application EGF/2007/02/FR/Renault submitted by France relating to the redundancies in the suppliers of Renault Société Anonyme (RSA), as evidence has been provided that these redundancies result from major structural changes in world trade patterns which have led to a serious economic disruption, which, in the case of *Cadence Innovation*, the company for whose workers assistance is sought, affects the local economy. A coordinated package of eligible personalised services for the amount of EUR 2 516 060 has been proposed of which the requested contribution of the EGF is EUR 1 258 030.