Mobilisation of the European Globalisation Adjustment Fund: redundancies in automotive manufacturing industry in Germany

2010/0005(BUD) - 30/11/2009 - Document attached to the procedure

In this document, the Commission gives a detailed analysis of the reasons for which it is proposing the mobilisation of the European Globalisation Adjustment Fund in favour Germany.

The application relates to 2 476 redundancies in different parts of the Karmann group, of which 1 618 occurred during the reference period, 803 before the reference period and 55 after the reference period.

In order to establish the link between the redundancies and structural changes in world trade patterns, Germany argues that the automotive manufacturing industry in the EU has been seriously impacted by a change in world trade patterns, in particular a significant reduction of the EU market share. The application cites a reduction in EU market share (in terms of the numbers of cars produced) from 32.1% in 2000 to 25.8% in 2008, to the advantage of the BRIC countries (Brazil, Russia, India and China), the market share of which increased from 8.9% in 2000 to 21.2% in 2008.

The German authorities further argue that the impact of the structural changes in world trade has been exacerbated by the global financial and economic crisis and the ensuing reduction in demand for motor vehicles since the second half of 2008.

In conclusion, it is the opinion of the Commission services that the 2 476 redundancies in Karmann can be linked to structural changes in world trade patterns, which have led to a significant reduction of the EU market share in the production of motor cars.

Accordingly, the Commission’s analysis leads it to conclude that it will approve EGF/2009/013 DE /Karmann submitted by Germany relating to the redundancies in Karmann, as evidence has been provided that these redundancies result from structural changes in world trade patterns which have led to a serious economic disruption, affecting the regional or local economy. A co-ordinated package of eligible personalised services has been proposed. It is proposed to deploy **EUR 258 163** from the EGF.