Mobilisation of the European Globalisation Adjustment Fund: redundancies in the printing and publishing sector in the Netherlands (Noord Brabant and Zuid Holland)

2010/2225(BUD) - 01/10/2010 - Non-legislative basic document

PURPOSE: to mobilise the European Globalisation Adjustment Fund (EGF) in respect of redundancies in the printing and publishing sectors in the Netherlands (Noord Brabant and Zuid Holland).

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

CONTENT: the European Globalisation Adjustment Fund (EGF) was established by Council Regulation No 1927/2006 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 on budgetary discipline allows for the mobilisation of the European Globalisation Adjustment Fund (EGF) through a flexibility mechanism, within the annual ceiling of EUR 500 million over and above the relevant headings of the financial framework.

The Commission services have carried out a thorough examination of the application submitted by the Netherlands to mobilise the EGF. The main elements of the assessment are as follows:

The Netherlands: **EGF/2009/027 NL/Noord Brabant and Zuid Holland Division 18 from the Netherlands**: on 30 December 2009, the Netherlands submitted application EGF/2009/027 NL/Noord Brabant and Zuid Holland Division 18, for a financial contribution from the EGF, following redundancies in 70 enterprises operating in the NACE Revision 2 Division 18 (printing and reproduction of recorded media) in the two contiguous NUTS II regions Noord Brabant (NL41) and Zuid Holland (NL33) in the Netherlands. The application was supplemented by additional information up to 11 May 2010.

In order to establish the link between the redundancies and the global financial and economic crisis, the Netherlands argues that the economic crisis resulted in a substantial decrease in demand for the printing and publishing sector. The orders from other economic sectors for printed advertising material, which represents 35% of the total turnover of the printing and publishing sector, decreased by 5.6% between 2008 and 2009 due to the reduction of budgets for media and advertising activities induced by the economic crisis. In addition, the economic crisis negatively affected demand for various types of printed media material.

This application is part of a package of six interrelated applications, all of which concern redundancies in eight different NUTS II regions in the Netherlands in enterprises operating in the graphics sector, the activities of which are classified under two different NACE Revision 2 Divisions, namely Division 18 (printing and reproduction of recorded media) and Division 58 (publishing activities).

The Netherlands submitted this application under the intervention criteria of Article 2(b) of Regulation (EC) No 1927/2006, which requires at least 500 redundancies over a nine-month period in enterprises operating in the same NACE Revision 2 Division in one region or two contiguous regions at NUTS II level in a Member State. The application cites 821 redundancies in 70 enterprises operating in the same

NACE Revision 2 Division during the nine-month reference period from 1 April 2009 to 29 December 2009 all located in the contiguous NUTS II regions Noord Brabant (NL41) and Zuid Holland (NL33).

After a thorough examination of this application, the Commission has concluded in accordance with Article 10 of Regulation (EC) No 1927/2006 that the conditions for a financial contribution under this Regulation are met.

On the basis of the application from the Netherlands, the proposed contribution from the EGF to the coordinated package of personalised services is **EUR 2 890 027**, representing 65% of the total cost.

IMPACT ASSESSMENT: no impact assessment was carried out.

FINANCIAL IMPLICATION: considering the maximum possible amount of a financial contribution from the EGF under Article 10(1) of Regulation (EC) No 1927/2006, as well as the scope for reallocating appropriations, the Commission proposes to mobilise the EGF for the total amount of **EUR 2 890 027** to be allocated under heading 1a of the financial framework.

The proposed amount of financial contribution will leave more than 25% of the maximum annual amount earmarked for the EGF available for allocations during the last four months of the year.

By presenting this proposal to mobilise the EGF, the Commission initiates the simplified trialogue procedure, as required by Point 28 of the Interinstitutional Agreement of 17 May 2006, with a view to securing the agreement of the two arms of the budgetary authority on the need to use the EGF and the amount required. The Commission invites the first of the two arms of the budgetary authority that reaches agreement on the draft mobilisation proposal, at appropriate political level, to inform the other arm and the Commission of its intentions. In case of disagreement by either of the two arms of the budgetary authority, a formal trialogue meeting will be convened.

The Commission presents separately a transfer request in order to enter in the 2010 budget specific commitment and payment appropriations, as required in Point 28 of the Interinstitutional Agreement of 17 May 2006.