

Mobilisation of the European Globalisation Adjustment Fund: redundancies in the shipbuilding industry in Denmark

2012/2110(BUD) - 11/09/2012 - Budgetary text adopted by Parliament

The European Parliament adopted by 578 votes to 65, with 21 abstentions, a resolution approving the proposal for a decision on the mobilisation of the European Globalisation Adjustment Fund for an amount of **EUR 6 455 104** in commitment and payment appropriations **to assist Denmark in respect of redundancies in the shipbuilding industry.**

Parliament recalls that the European Union has set up the appropriate legislative and budgetary instruments to provide additional support to workers who are suffering from the consequences of major structural changes in world trade patterns and to assist their reintegration into the labour market. Given that Denmark has requested assistance for 981 redundancies (of which 550 are targeted for assistance) in the *Odense Steel Shipyard* primary enterprise and in four suppliers and downstream producers in Denmark within a four-month reference period, Parliament requests the institutions involved to make the necessary efforts to improve procedural and budgetary arrangements in order to accelerate the mobilisation of the EGF for the requested amount. Moreover, it agrees with the Commission that the conditions set out in Article 2(a) of the EGF Regulation are met and that, therefore, Denmark is entitled to a financial contribution under that Regulation.

Parliament notes that the direct losses at Odense Steel Shipyard covered by the two EGF applications (this one and EGF/2010/025 DK/Odense Steel Shipyard) amount to around 2% of the local workforce, and together with indirect job losses, the shipyard closure is regarded as a major crisis in the regional economy. It also notes that the shipbuilding workforce in Europe declined by 23% over the past three years and that EGF assistance has already been mobilised in three cases in the shipbuilding sector over the past three years ([EGF/2010/001 DK/Nordjylland](#), [EGF/2010/006 PL/H. Cegielski-Poznan](#) and [EGF/2010/025 DK/Odense Steel Shipyard](#)).

In this context, Parliament welcomes the allocation to Denmark of the amounts put forward in the proposal. It:

- expresses its satisfaction with the improvement of the procedure established by the Commission, following Parliament's request for accelerating the release of grants;
- hopes that further improvements in the procedure will be integrated in the new Regulation on the European Globalisation Adjustment Fund (2014–2020) and for greater efficiency, transparency and visibility of the EGF to be achieved;
- recalls the need to ensure a smooth and rapid procedure for the adoption of the decisions on the mobilisation of the EGF;
- reiterates that assistance from the EGF must not replace actions which are the responsibility of companies by virtue of national law or collective agreements, nor measures restructuring companies or sectors and that it results in the co-funding of active labour market measures resulting in long-term employment;
- highlights the need to avoid any duplication in the services funded by the Union, including in the context of the EGF.

Parliament also welcomes the fact that the EGF support in this case is coordinated by a newly set-up EGF Secretariat under the Odense Municipality which coordinates the two FEM applications.

Revision of the EGF: Parliament welcomes the fact that following its repeated requests, the sum of EUR 50 million in payment appropriations has been allocated to the budget line 04 05 01 for the EGF. It recalls that the EGF was created as a separate specific instrument with its own objectives and deadlines and that it therefore deserves a dedicated allocation, which will avoid there being transfers from other budget lines, as happened in the past. It regrets the **decision of the Council to block the extension of the "crisis derogation"**. This derogation makes provision for financial assistance to workers made redundant as a result of the current financial and economic crisis in addition to those losing their job because of changes in global trade patterns. It also allows an increase in the rate of Union cofinancing to 65% of the programme costs for applications submitted after the 31 December 2011 deadline. It calls on the Council to reintroduce this measure without delay. Parliament deplores the fact that, despite several successful Danish mobilisations of the EGF under both the trade-related and the crisis-related criteria, **Denmark is among the countries undermining the future of the EGF after 2013**, blocking the extension of the crisis derogation and decreasing the financial allocation to the Commission for technical assistance for the EGF for 2012.