

Mobilisation of the European Globalisation Adjustment Fund: redundancies in printing machinery manufacturing in Germany

2012/2230(BUD) - 23/10/2012 - Budgetary text adopted by Parliament

The European Parliament adopted by 561 votes to 71, with 15 abstentions, a resolution approving the annexed proposal for a decision on the mobilisation of the European Globalisation Adjustment Fund (EGF), for an amount of **EUR 5 352 944** in commitment and payment appropriations **in respect of redundancies in the printing machinery manufacturing sector in Germany.**

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 Germany has requested assistance in respect of a case concerning 2 284 redundancies, 2 103 of whom are targeted for assistance, in printing machinery manufacturer *manroland AG* and two of its subsidiaries as well as one supplier in Germany, Parliament requests the institutions involved to make the necessary efforts to accelerate the mobilisation of the EGF for the requested amount noting, moreover, that the conditions set out in Article 2(a) of the EGF Regulation are met. As a result, **Germany is entitled to a financial contribution under this Regulation.**

Recalling the conditions that at the source of the request for an EGF contribution, Parliament underlines that the insolvency of *manroland* removes the third largest employer of the area (700 workers prior to the closure) and that *manroland* before its insolvency employed 6,500 workers and that it was a modern manufacturer of machinery with modern know-how. The break-up of this enterprise (with a loss of one third of its workforce) will cause a loss of skills, potentially affecting other German employers. Furthermore, the three regions affected by the closure of this company - Augsburg (Bavaria), Offenbach (Hessen) and Plauen (Saxony) – will, in addition, lose one of their most influential employers, with **no immediate prospect of an equivalent successor arising in the near future.**

Parliament also recalls the importance of improving the employability of all workers by means of tailored training and the recognition of skills and competences gained throughout the professional career. It recalls that that the EGF support should primarily be allocated to job search and training programmes instead of contributing directly to financial allowances. It believes that, if included in the package, EGF support should be of complementary nature and **never replace allowances under the responsibility of Member States.**

Lessons from the implementation of the EGF: Parliament considers lessons should be learned from the preparation and implementation of this and other applications addressing mass dismissals. It calls on the institutions involved to make the necessary efforts to improve procedural and budgetary arrangements in order to **accelerate the mobilisation of the EGF.** It appreciates the improved procedure put in place by the Commission, following its request for accelerating the release of grants. It hopes that **further improvements in the procedure will be integrated** in the new Regulation [on the EGF \(2014–2020\)](#) and that greater efficiency, transparency and visibility of the EGF will be achieved.

Parliament reiterates its usual position in respect of a dossier of this type:

- the need to ensure a smooth and rapid procedure for the adoption of the decisions on the mobilisation of the EGF;

- the fact 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 can co-finance only active labour market measures which lead to durable, long-term employment;
- 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;
- the fact that the EGF should not provide an incentive for companies to replace their contractual workforce with a more precarious and short-term one;
- the fact that the information provided on the coordinated package of personalised services to be funded from the EGF includes information on the complementarity with actions funded by the Structural Funds;
- the need for a comparative evaluation of those data in the annual report on the Funds;
- the need to ensure that no duplication of Union-funded services can occur.

Parliament welcomes the fact that following its requests, the 2012 budget shows payment appropriations of EUR 50 million on the EGF budget line 04 05 01. 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, which could be detrimental to the achievement of the policy objectives of the EGF. Parliament regrets the **decision of the Council to block the extension of the "crisis derogation"**, allowing the increase in the rate of Union cofinancing to 65% of the programme costs, for applications submitted after the 31 December 2011 deadline, and calls on the Council to reintroduce this measure without delay.