# Mobilisation of the European Globalisation Adjustment Fund: redundancies in the metal products sector in Spain

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PURPOSE: to mobilise the European Globalisation Adjustment Fund (EGF) to assist Spain following redundancies in the metal products sector.

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

CONTENT: Article 12 of Council Regulation (EU, Euratom) No 1311/2013 laying down the multiannual financial framework for the years 2014-2020 allows for the mobilisation of the European Globalisation Adjustment Fund (EGF) within the annual ceiling of **EUR 150 million** (2011 prices) over and above the relevant headings of the financial framework.

The rules applicable to financial contributions from the European Globalisation Adjustment Fund (EGF) are laid down in Regulation (EU) No 1309/2013 of the European Parliament and of the Council of 17 December 2013 on the European Globalisation Adjustment Fund (2014-2020) and repealing Regulation (EC) No 1927/2006.

In this context, the Commission examined the request for mobilisation of the EGF with a view to assisting Spain and stated that:

**Spain: EGF/2014/004 ES/Comunidad Valenciana metal**: the Spanish authorities submitted application EGF/2014/004 ES/Comunidad Valenciana metal for a financial contribution from the EGF, following redundancies and cessation of activities within the meaning of Article 3 of the EGF Regulation in 142 enterprises operating in the NACE Revision 2 division 25 (Manufacture of fabricated metal products, except machinery and equipment) in the NUTS level 2 region of Comunidad Valenciana (ES52).

The Spanish authorities submitted the application within **12 weeks** of the date on which the intervention criteria set out in Regulation were met. The deadline of 12 weeks of the receipt of the complete application within which the Commission should finalise its assessment of the application's compliance with the conditions for providing a financial contribution expires on 12 August 2014.

In order to establish the link between the redundancies and the global financial and economic crisis addressed in Regulation (EC) No 546/2009, the Spanish authorities argue that the metal products sector is a key provider of inputs to a wide range of manufacturing activities, in particular the shipbuilding, construction and automotive sectors.

All of these were significantly impacted across the European Union by the economic crisis.

In addition the arguments presented in previous EGF applications related to these sectors remain valid8, in particular those put forward in the context of two EGF applications from Spain related to the same sector (see EGF/2011/019 and EGF 2011/018).

**Background to the request from Spain**: the Spanish authorities submitted the application under the intervention criterion of Article 4(1)(b) of the EGF Regulation, which requires at least 500 workers being made redundant over a reference period of nine months in enterprises operating in the same economic

sector defined at NACE Rev. 2 division level and located in one region or two contiguous regions defined at NUTS 2 level in a Member State.

The application relates to workers made redundant or ceasing their activities in 142 enterprises operating in the NACE Rev. 2 division 25 (Manufacture of fabricated metal products, except machinery and equipment) in the NUTS 2 level region of Comunidad Valenciana (ES52).

The reference period of nine months is from 1 April 2013 to 31 December 2013.

All the criteria comply with the Regulation.

On the basis of the application from Spain, the proposed contribution from the EGF to the coordinated package of personalised services is **EUR 1 019 184**.

BUDGETARY IMPLICATION: having examined the application in respect of the conditions set out in Article 13(1) of the EGF Regulation, and having taken into account the number of targeted beneficiaries, the proposed actions and the estimated costs, the Commission proposes to mobilise the EGF for the amount of **EUR 1 019 184**, representing 60 % of the total costs of the proposed actions, in order to provide a financial contribution for the application.

The proposed decision to mobilise the EGF will be taken jointly by the European Parliament and the Council, as laid down in point 13 of the Interinstitutional Agreement of 2 December 2013 between the European Parliament, the Council and the Commission on budgetary discipline, on cooperation in budgetary matters and on sound financial management.

At the same time as it presents this proposal for a decision to mobilise the EGF, the Commission will present to the European Parliament and to the Council a proposal for a transfer to the relevant budgetary line for this amount.

It will also adopt a decision on a financial contribution, by means of an implementing act, which will enter into force on the date at which the European Parliament and the Council adopt the proposed decision to mobilise the EGF.