Mobilisation of the European Globalisation Adjustment Fund: redundancies in the steel sector in Belgium

2015/2020(BUD) - 02/03/2015 - Budgetary report tabled for plenary, 1st reading

The Committee on Budgets adopted the report by Victor NEGRESCU (S&D, RO) on the proposal for a decision of the European Parliament and of the Council on the mobilisation of the European Globalisation Adjustment Fund for an amount of **EUR 1 591 486** in commitment and payment appropriations to assist Belgium affected by redundancies in its steel sector.

Members recalled that the Union set up 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.

Belgian application: Belgium submitted application EGF/2014/012 BE/ArcelorMittal for a financial contribution from the EGF, following 1 285 redundancies in ArcelorMittal Liège S.A., a company operating in the NACE 2 Division 24 'Manufacture of basic metals', with 910 persons expected to participate in the measures, during and after the reference period from 1 January 2014 to 1 May 2014, linked to a serious economic disruption, in particular a rapid decline in the Union’s market share.

Members noted that the conditions set out in Article 4(1)(a) of the EGF Regulation are met. Therefore, Belgium is entitled to a financial contribution under that Regulation.

They welcomed the fact that, in order to provide workers with speedy assistance, the Belgian authorities decided to initiate the implementation of the personalised services to the affected workers on 1 January 2014, well ahead of the decision and even the application on granting the EGF support for the proposed coordinated package.

Nature of the redundancies: Members noted that the redundancies at ArcelorMittal Liège S.A. are expected to have huge negative impacts on the Liège region, a region highly dependent on the metalworking sector, where the impact of the downsizing of ArcelorMittal is all the more important as the share of ArcelorMittal in local employment is 78.9% within the metal sector and 14.3% within the manufacturing sector.

They stressed the need for an efficient and coordinated approach at Union level in order to reverse the decrease in competitiveness of the Union’s steel sector. They also emphasised the need for proper and targeted investments with the aim of ensuring innovation as the main driver for global competitiveness of the Union’s steel sector and a guarantee of keeping the jobs in Europe.

A package of personalised services: Members noted that the coordinated package of personalised services to be co-funded covers three main areas: redeployment, training and retraining, and the promotion of entrepreneurship.

Members advocated for the future use of provisions of the EGF Regulation to support young people not in employment, education or training (NEETs) in this region.

They noted that more than half of the total estimated costs are to be spent on redeployment services, namely support, guidance and integration measures and that these services will be provided by FOREM

(the public employment and training service of the Walloon Region), which acts as an intermediary body in the implementation of this application.

Members noted that measures which are mandatory under collective redundancy procedures in Belgium and which are carried out as part of the standard activities of the Redeployment Units (e.g. outplacement support, training, job-search assistance and careers advice, etc.) are not included in this EGF application. They recalled the importance of improving the employability of all workers by means of adapted training and the recognition of skills and competences gained throughout a worker's professional career.

Lastly, they also stressed that EGF assistance can co-finance only active labour market measures which lead to durable, long-term employment.