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

2015/2019(BUD) - 10/03/2015 - Budgetary text adopted by Parliament

The European Parliament adopted by 534 votes to 77, with 12 abstentions, a resolution 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 981 956** in commitment and payment appropriations to assist Belgium affected by redundancies in its steel sector.

Parliament 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/2013/007 BE/Hainaut steel for a financial contribution from the EGF following 708 redundancies in two companies, linked to the closure of Duferco and to staff reductions at NLMK, operating in the NACE 2 Division 24 'Manufacturing of basic metals', and both located in La Louvière in the Hainaut region. The redundancies took place during the reference period from 22 January 2013 to 22 October 2013 and are linked to a decline of the Union's market share in in the sector of steel production.

Parliament noted that the conditions set out in Article 2(b) of the EGF Regulation are met. Therefore, **Belgium is entitled to a financial contribution under that Regulation**.

It also 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 June 2013, well ahead of the decision and even the application on granting the EGF support for the proposed coordinated package.

Nature of the redundancies: Parliament considered that the redundancies in Duferco and NLMK are linked to major structural changes in world trade patterns due to globalisation, given that the steel production sector has undergone serious economic disruption, in particular a **rapid decline in the EU's market share**. Futhermore, as a consequence of the economic crisis and a relative increase in production costs, world trade patterns were worsened by other factors such as a decline in demand for steel in the automotive and construction sector.

It also considered that the redundancies are expected to have a negative impact on the Hainaut region, a former coal-mining and steelmaking area in which employment is strongly dependant on traditional heavy industry and on the public sector, where in 2012 the unemployment rate was 17.7%, compared to 15.8% on average in Wallonia and 11.2% at national level and peaked at 39% for the persons aged from 18 to 25. Members highlighted that the low level of qualification of jobseekers (51% do not have higher secondary education, compared to 47% in Wallonia) is an additional difficulty for the job search. Overall, Parliament noted that, in the context of the economic situation and the number of redundancies in the metallurgic industry in the region, in order to find a new job in that region, the workers from Duferco and NLMK will have to retrain to find jobs in other occupations and other sectors. It stated that the proposed measures also target a group of managers of the companies concerned

A package of personalised services: Parliament stressed that the coordinated package of personalised services to be co-funded includes following measures for the reintegration of 701 redundant workers into employment (grouped by category): (1) individual job-search assistance, case management and general information services, (2) training and retraining and (3) promotion of entrepreneurship.

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

Lastly, Parliament 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. More than half of the total estimated costs are to be spent on redeployment services, namely support, guidance and integration measures.