Mobilisation of the European Globalisation Adjustment Fund: redundancies in the automotive industry in Germany

2015/2208(BUD) - 06/10/2015 - Budgetary text adopted by Parliament

The European Parliament adopted by 551 votes to 78, with 63 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 6 958 623** in commitment and payment appropriations in order to assist Germany following redundancies in its automotive industry.

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.

German application: Germany submitted application EGF/2015/002 DE/Adam Opel for a financial contribution from the EGF following 2 881 redundancies in Adam Opel AG, operating in the NACE Rev. 2 division 29 ('Manufacture of motor vehicles, trailers and semi-trailers') and 1 supplier. Parliament noted that the conditions set out in Article 4(1)(a) of the EGF Regulation are met. Therefore, **Germany is entitled to a financial contribution under that Regulation**.

Nature of the redundancies: Parliament noted that manufacturers of small and medium-sized vehicles of the medium-price segment have been hit particularly hard and that Adam Opel AG, being one of the major players in the medium-price segment of small and medium-sized vehicles, has thus been hit particularly hard by the crisis. Furthermore, Adam Opel AG was disadvantaged by the owning enterprise General Motors, which allowed Opel to sell only within Europe, thus excluding Opel from emerging markets on other continents. Germany is of the opinion that austerity policies imposed in European countries contributed to the dramatic drop in sales by Opel/Vauxhall.

Hard hit region: Parliament noted that these redundancies will have a significant adverse impact on the **local economy in Bochum**. Bochum is a city in the Ruhr area, a highly urbanised industrial area in the German Federal State of North Rhine-Westphalia, which, like other traditional coal-mining and steel producing regions, has been facing tremendous structural challenges since the 1960s.

The unemployment rate in the Ruhr area is already far above the German average;

It recalled that Bochum has already been supported by the EGF after Nokia stopped the production of cell phones, with a loss of more than 1 300 jobs. It also noted that Outukumpu intends to stop the production of stainless steel in Bochum at the end of 2015, which will lead to a further deindustrialisation of the city and a worsening of the local and regional labour situation.

A package of personalised services: Parliament noted that the German authorities decided to initiate the implementation of the personalised services to the affected workers on 1 January 2015, well ahead of the decision and even the application on the granting the EGF support for the proposed coordinated package.

Germany is planning the following measures for the redundant workers covered by this application:

- vocational training measures,
- career guidance,

- peer groups/workshops,
- business start-up advisory service,
- job search/job fairs,
- follow-up mentoring and advisory services and training allowances.

It recalled that these measures have been drawn up in consultation with the social partners through the creation of transfer companies.

The resolution stated that the authorities plan to utilise the maximum allowed 35% of total costs for the coordinated package of personalised services on allowances and incentives in form of training allowance.

Recalling 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, Parliament expect the training on offer in the coordinated package to be adapted not only to the needs of the dismissed workers but also to the actual business environment.

The German authorities confirmed that the eligible actions do not receive assistance from other Union financial instruments. Members reiterated their call to the Commission to present a comparative evaluation of those data in its annual reports in order to ensure full respect for existing regulations and that no duplication of Union-funded services can occur.

Lastly, Parliament appreciated the improved procedure put in place by the Commission, following the Parliament's request for the accelerated release of grants and noted the time pressure that the new timetable implies and the potential impact on the effectiveness of case instruction.