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

2015/2209(BUD) - 06/10/2015 - Budgetary text adopted by Parliament

The European Parliament adopted by 608 votes to 77, with 9 abstentions, a resolution on the proposal for a decision of the European Parliament and of the Council on mobilisation of the European Globalisation Adjustment Fund for an amount of **EUR 6 268 564** in commitment and payment appropriations to assist Belgium 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.

Belgian application: Belgium submitted application EGF/2015/003 BE/Ford Genk for a financial contribution from the EGF following 5 111 redundancies were made redundant in Ford Genk, operating in the NACE Rev. 2 division 29 ('Manufacture of motor vehicles, trailers and semi-trailers') and in 11 suppliers and downstream producers, whereas the estimate number of 4 500 redundant workers are expected to participate in the measures. Given that the conditions set out in Article 4(1)(a) of the EGF Regulation are met, **Belgium is entitled to a financial contribution** under that Regulation.

Nature of the redundancies: Parliament noted that the Belgian car industry has suffered a production decline of 15.58% as global production increased by 18.9%. Ford Genk has been the largest employer in the province of Limburg and these redundancies cause considerable damage to the Limburg economy. These redundancies caused considerable damage to the Limburg economy with a total loss of more than 8 000 jobs (including indirect job losses), most of which are Union citizens between 30 and 54 years of age, a rise in the unemployment rate of between 1.8 and 2 percentage points (up to a 29.4% increase in the region's unemployment rate from 6.8% to 8.8%).

Parliament stated that a first wave of dismissals in Ford Genk in 2013 gave way to a first EGF application also based on globalisation, which is currently being implemented and that this second application relates to the redundancies at the Ford Genk plant carried out in 2014 up to the final closure of the facility in December 2014.

A package of personalised services: Parliament welcomed that the Belgian 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.

Belgium is planning three types of measures for the redundant workers covered by this application:

- individual job search assistance, case management and general information services,
- training and re-training, and
- allowances and incentives.

It welcomed that the coordinated package of personalised services has been drawn up in consultation with the targeted beneficiaries, their representatives, social partners, local, regional and national public employment bodies and training institutions as well as the company.

The Belgian authorities confirmed that the eligible actions do not receive assistance from other Union financial instruments. In this regard, the Commission is called upon to present a comparative evaluation of those data in its annual reports in order to ensure full respect for the existing regulations and that no duplication of Union-funded services can occur.

Parliament also welcomed that the authorities plan to utilise most of the available funds for personalised services and only 4.94% of the total costs for the coordinated package of personalised services will be used for allowances and incentives, which remains much below the maximum allowed 35%.

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 that the time pressure that the new timetable implies and the potential impact on the effectiveness of case instruction.