Mobilisation of the European Globalisation Adjustment Fund: redundancies in the manufacture of commercial vehicles in Sweden

2016/2022(BUD) - 13/04/2016 - Budgetary text adopted by Parliament

The European Parliament adopted by 585 votes to 82, with 7 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 1 793 710** in commitment and payment appropriations to assist Sweden, which is affected by redundancies in its vehicle manufacturing 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.

Swedish application: Sweden submitted application EGF/2015/009 SE/Volvo Trucks following redundancies in the economic sector classified under the NACE Revision 2 Division 29 (Manufacture of motor vehicles, trailers and downstream producers) mainly in the NUTS level 2 region of Upper Norrland (SE33). The application concerns 647 redundant workers 470 of whom were made redundant in Volvo Group Truck Operation EMEA following reductions in its Umeå plant, and 177 others in 4 suppliers and downstream producers (IL Logistics AB, Lemia, Caverion and Isringhausen).

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

Nature of the redundancies: Parliament pointed out that the redundancies represent a challenge in the region of the county of Västerbotten (of which Umeå is the capital) as the region's job vacancies are in highly qualified fields while most of the targeted workers have only secondary education. It noted that the application refers to a recent report claiming that 40 000 new workers will be needed in the Västerbotten region. It also noted that the manufacture of commercial vehicles is no longer dominated by European and North American manufacturers, and that the heavy truck production in the Union decreased in 2014, due to newly emerging Asian truck manufacturers.

A package of personalised services: Parliament welcomed the fact that the Swedish authorities started providing the personalised services to the affected workers on 30 January 2015, well ahead of the decision on the granting of EGF support for the proposed coordinated package. It also noted that Sweden is planning nine types of measures for redundant workers covered by this application:

1. in-depth assessment and individual planning;
2. various job-search activities and coaching;
3. motivation and health measures;
4. entrepreneurship and business creation;
5. education and training;
6. validation of competences;

7. job-search assistance with private service providers;

8. travel expenses and related costs;

9. job search allowances.

Members welcomed the measures targeting motivation and health of the workers, which provide help for those whose health was damaged by being made redundant.

They noted that young people not in employment, education or training (NEETs) are not included in the application, because this region is not eligible for such intervention under the Youth Employment Initiative.

Parliament also noted that, to date, the manufacture of motor vehicles, trailers and semi-trailers sector has been the subject of 22 EGF applications, including this one, 12 of which were based on trade related globalisation and 10 on the global financial and economic crisis.

Complementary measures: Parliament awaited the answer from the Commission confirming that the proposed job search allowance is not a substitute for the obligation of the Member State with regard to active labour market or social protection measures. It expected, furthermore, an analysis of the complementarity of the measures supported by the EGF.

Lastly, Parliament reminded the Commission of its responsibility and obligation to provide in due time detailed information confirming that the proposed job search allowance does not provide a substitute the Member State's responsibilities with regard to active labour market or social protection measures.