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

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The Committee on Budgets adopted the report by Eider GARDIAZABAL RUBIAL (S&D, ES) on the proposal for a decision of the European Parliament and of the Council on the mobilisation of the European Globalisation Adjustment Fund to the amount of **EUR 4 621 616** in commitment and payment appropriations to assist Belgium in the event of redundancies in the machinery sector.

The European Globalisation Adjustment Fund (EGF) is designed to provide additional support to workers who suffer the consequences of major structural changes in world trade patterns.

Belgian request: Belgium submitted application EGF/2017/010 BE/Caterpillar for a financial contribution from the EGF, following **2 287 redundancies in Caterpillar Solar Gosselines** and its 5 suppliers in the economic sector of the manufacture of machinery and equipment in the Hainaut region in Belgium.

Given that the redundancies are expected to have a significant adverse effect on the local economy, Members agreed with the Commission that the conditions set out in Article 4(1) of the EGF Regulation are met and that Belgium is entitled to a financial contribution of EUR 4 621 616 under that Regulation, which represents 60 % of the total cost of EUR 7 702 69.

Reason for the redundancies: Belgium argued that the redundancies are linked to major structural changes in world trade patterns due to globalisation, to worldwide competition in the construction and mining machinery sectors, and to the consequent decrease in the Caterpillar Group’s share in the machinery market.

While being aware of the decline in production of the mining sector in Europe and the dramatic decline in EU-28 exports in that sector since 2014, the increase in the European steel price and the high production costs for machines resulting therefrom, in particular compared to China, Members regretted that the Caterpillar Group has decided to allocate the volumes produced in the Gosselies plant to other production units in France (Grenoble) and to other plants outside Europe, including China and South Korea, which resulted in an abrupt shut down of the Gosselies site and the making redundant of 2 300 workers.

They also deplored the total **lack of information** and respect for workers and union representatives, who received no information prior to the closure of the company and that this brutal decision was not made in **consultation** with the local and regional authorities.

Package of personalised services: Members noted that Belgium is planning five types of actions for the redundant workers:

- individual job search assistance, case management and general information services;
- training and re-training;
- promotion of entrepreneurship;
- contribution to business start-up;
- allowances.

Members welcomed that the income support measures will account for **13.68 % of the overall package of personalised measures**, well below the maximum 35 % set out in the EGF Regulation. They stressed that the majority of workers are between **30 and 54 years of age** and welcomed the fact that personalised services co-financed by the EGF will also be provided to up to **300 young people under the age of 30** not in employment, education or training (NEETs).

Lastly, they recalled the resolution of 5 October 2016 on the need for a European reindustrialisation policy in the light of the recent Caterpillar and Alstom cases, which called for Europe to deploy a genuine industrial policy based in particular on research and development and innovation, but also emphasizes the importance of protecting Union industry from unfair commercial practices in third countries.