

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

2021/0107(BUD) - 07/06/2021 - Budgetary text adopted by Parliament

The European Parliament adopted by 670 votes to 22, with 4 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 (EGF), following the application submitted by Germany - EGF/2020/003 DE/GMH Guss.

Parliament approved the proposal for a decision to mobilise the EGF to provide a financial contribution of **EUR 1 081 706** in commitment and payment appropriations from the Union budget for the financial year 2021, in response to the application submitted by Germany, which is facing redundancies in the metalworking sector.

This contribution represents 60 % of the total cost of EUR 1 802 845, corresponding to expenditure on personalised services of EUR 1 730 731 and expenditure on preparatory, management, information and publicity, monitoring and reporting activities of EUR 72 114.

Link between the redundancies and globalisation

The resolution noted that the German foundry industry is facing major challenges, such as the development of international trade in goods and services and Chinese overproduction, in particular in the automotive and machinery industries, as well as the relocation of activities to third countries, including EU candidate countries, where environmental standards are lower and industries are heavily subsidised.

Total German cast metal production decreased by 8.9% between 2018 and 2019 due to these globalisation challenges, affecting in particular North Rhine-Westphalia, where 25% of the German cast metals are produced.

Eligible beneficiaries

The application concerns **585 workers made redundant by four subsidiaries of GMH Guss GmbH** in Germany.

Most of the redundant workers are in the second half of their working careers, have low levels of qualification and often an insufficient command of the German language, with a large number of the beneficiaries being men with a migrant background.

The redundancies are expected to have a significant impact on the local economy, as they have taken place in a context of high unemployment (10.7% in September 2020) in the Ruhr region due to structural challenges since the 1960s and the consequences of the COVID-19 pandemic.

Members deplored the fact that Germany foresees that only 476 eligible beneficiaries, including 455 men and 21 women, mostly between 30 and 54 years of age, will participate in the measures.

Personalised services

Parliament believes that it is the EU's social responsibility to provide redundant workers with the skills needed for the **green and fair transformation of EU industry** in line with the European Green Deal, given that they work in a carbon-intensive sector.

Members therefore welcomed the personalised services provided by the EGF to workers, including retraining measures, German language courses, workshops, career guidance, employment counselling, as well as training allowances and business start-up assistance.

The resolution also welcomed the fact that the coordinated package of personalised services was developed by Germany in consultation with the social partners and that a monitoring committee composed of representatives of the Ministry of Labour and Social Affairs, the public employment services, the transfer company, representatives of the IG Metall trade union, the liquidators of the dismissing company and its subsidiaries, as well as representatives of the works councils, was set up to guide the EGF co-financed intervention.