Mobilisation of the European Globalisation Adjustment Fund: redundancies in metal products manufacturing in Spain

2021/0316(BUD) - 25/11/2021 - Budgetary text adopted by Parliament

The European Parliament adopted by 662 votes to 30, with 3 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 workers made redundant following an application from Spain - EGF /2021/001 ES/País Vasco metal.

Parliament approved the proposal for a decision to mobilise the EGF to provide a financial contribution of **EUR 1 214 607 in commitment and payment appropriations** from the Union budget for the financial year 2021 in response to an application from Spain for assistance with redundancies in the metal sector in the Spanish Basque region.

This contribution represents 85% of the total cost of EUR 1 428 950, including expenditure of EUR 1 384 950 for personalised services and EUR 44 000 for EGF implementation.

Grounds for the Spanish application

The COVID-19 pandemic, the strict lockdown measures implemented in the second quarter of 2020 in Spain and the subsequent shortages of supplies and raw materials have adversely affected the metal sector in the country.

In 2020 (year on year variation), production in Spain fell by more than 50 % in 18 % of the metal enterprises, turnover fell by more than 50 % in 16 % of the businesses and a third of metal enterprises experienced a decrease between 30 % and 50 % of both production and turnover. In the Basque region, the fabricated metal products sector represents 27.4 % of the gross value added of the industry.

Eligible beneficiaries

The application relates in total to **491 displaced workers** whose activity has ceased, out of which 192 occurred in the course of collective redundancies notified to the authorities in six companies. In addition, Spain expects that **300 out of the total eligible beneficiaries will participate in the measures**. Most of the displaced workers are in the second half of their professional career and have a low level of formal qualification.

The **social impacts** of the redundancies are expected to be important for the workers, as well as the entire Basque region, where the number of unemployed increased by 25% between March and August 2020, where the gender pay gap is 22.6% and where the temporary employment rate is 25.8%.

Personalised services

Parliament welcomed that the co-ordinated package of personalised services was drawn up by Spain in consultation with the **social partners**. It welcomed that the coordinated package of personalised services will contribute to the dissemination of horizontal skills required in the **digital industrial age** as well as in a resource-efficient economy.

The proposed actions constitute active labour market measures within the eligible actions set out in the EGF Regulation and do not substitute passive social protection measures. The financial contribution will be managed and controlled by the same bodies that perform these functions for European Social Fund Plus.

In order to minimise the time taken to mobilise the EGF, this decision should apply from the date of its adoption.