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

2023/0068(BUD) - 09/05/2023 - Budgetary text adopted by Parliament

The European Parliament adopted by 585 votes to 30, with 11 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) for redundant workers (application submitted by Spain - EGF/2022/003/ES/Alu Ibérica).

Parliament approved the proposal for a decision to mobilise the EGF to provide a financial contribution of **EUR 1 275 000** in commitment and payment appropriations from the Union budget for the financial year 2023, in response to the application submitted by Spain relating to redundancies in the metalworking sector in the company Alu Ibérica LC S.L. in the Spanish region of Galicia.

This contribution represents 85% of the total cost of EUR 1 500 000, which includes EUR 1 429 400 for personalised services and EUR 70 600 for preparation, management, information and publicity, and monitoring and reporting activities.

Events leading to the redundancies

The COVID-19 pandemic and the Russian war of aggression against Ukraine have reduced economic competitiveness and have a negative impact on economic growth in Spain. The margins of the enterprises in Spain and their competitiveness have furthermore been reduced by the current rise in inflation, in particular the higher prices of raw materials and energy. The rise in energy and raw material prices and the downward pressure on world aluminium prices resulting from overcapacity in China contributed to the bankruptcy of Alu Ibérica.

Beneficiaries

The application concerns **303 workers** made redundant at Alu Ibérica, which was among the 0.1% of Galician companies with more than 250 employees.

Members stressed the significant impact of the redundancies on the local economy and labour market of A Coruña, a city with a high unemployment rate well above the EU average (9.5% in the third quarter of 2022). The redundant workers will need additional support to find a new job in the labour market, as 35% of them are in the 45+ age group and may face additional difficulties in finding a job.

Personalised services

The personalised services to be provided to workers and self-employed persons include the following actions information services, intensive job search assistance, including assistance in determining job prospects in other regions or Member States, occupational guidance and outplacement assistance, training (including horizontal compentencies, retraining, further training and internships), retraining, vocational training, support for business start-ups, and incentives and allowances, including a payment for participation in agreed reintegration measures, a contribution to travel and care costs for dependants.

Parliament welcomed the fact that Spain had developed the coordinated package of personalised services in consultation with the social partners. It welcomed the fact that priority had been given to the skills needed in digitalisation, robotisation and the transition to a green economy when designing the training offer.

In this context, Members reiterated the important role the Union should play in providing **the necessary qualifications for the just transformation** in line with the European Green Deal. It strongly supported the fact that, during the 2021-2027 MFF period, the EGF will continue to show solidarity with all persons affected, without discrimination, and maintain the focus on the impact of restructuring on workers.