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

2024/0286(BUD) - 17/12/2024 - Budgetary text adopted by Parliament

The European Parliament adopted by 599 votes to 50, 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 Displaced Workers following an application from Belgium – EGF /2024/002 BE/Limburg machinery and paper.

Parliament approved the proposal for a decision to mobilise the EGF to provide a financial contribution of **EUR 704 135** in commitment and payment appropriations to the general budget of the Union for the financial year 2024, in response to the request submitted by Belgium following 681 redundancies in the woodfree coated paper industry and in the manufacturing of machinery and equipment in the province of Limburg.

This contribution represents 60% of the total cost of EUR 1 173 559, an amount corresponding to the expenditure for personalised services of EUR 1 126 559 and expenditure for preparatory, management, information and publicity, control and reporting activities of EUR 47 000.

Events leading to the redundancies

Sappi Lanaken was specialised in the production of woodfree coated paper. The declining demand for graphics products resulting from increased digitalisation has led to a growing overcapacity of the European woodfree coated paper industry. The production at Sappi Lanaken could not be shifted to other paper products more in demand without heavy investments and the Sappi Group therefore decided to stop production in Lanaken and close the plant, as no suitable buyer could be identified, because of structural overcapacity in the industry.

Purmo Group’s production volume of panel radiators has been steadily declining over the period 2018-2023. The Purmo Group decided to stop production of 50 mm panel radiators in its Zonhoven plant and close the relevant production line. Following the unexpected situation regarding gas availability and prices, resulting from the Russian war of aggression against Ukraine, and Union legislation benefiting low-temperature heating systems to the detriment of panel radiators, demand recovery is unlikely as the panel radiator market will increasingly be limited to replacing units in use.

Beneficiaries

The application relates to 567 workers made redundant in the company Sappi Lanaken and 114 workers made redundant in Purmo Group Belgium. **632 workers** will be targeted beneficiaries in total, almost exclusively men. Due to their profiles (one third of which are aged 55 years or more and 30 % are with low education), the displaced workers face severe barriers on the labour market.

Personalised services to be provided to the workers consist of the following actions: social intervention advisor, guidance, counselling, and vocational orientation, active job-search support, training, retraining and vocational training, including training in digital skills, as well as training at the workplace. Members welcomed the fact that the co-ordinated package of personalised services was drawn up by Belgium in consultation with targeted beneficiaries, their representatives and social partners.

The resolution stressed that the Belgian authorities have confirmed that the principles of equality of treatment and non-discrimination will be respected in the access to the proposed actions and their implementation, and that any double financing will be prevented.

The Belgian authorities and other Member States are called on to undertake the preventive measures in a proactive manner in order to adapt industries to the globalisation and of technological and environmental changes and protect workers from losing their jobs and other negative impact of the globalisation.