

# **Mobilisation of the European Globalisation Adjustment Fund for Displaced Workers: application EGF/2025/003 SE/Northvolt – Sweden**

2025/0326(BUD) - 16/12/2025 - Budgetary text adopted by Parliament

The European Parliament adopted by 578 votes to 54, with 30 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 Sweden – EGF/2025/003 SE/Northvolt.

Parliament approved the proposal for a decision to mobilise the EGF to provide a financial contribution of **EUR 8 526 322** in commitment and payment appropriations to the Union budget for the financial year 2025 in response to the request submitted by Sweden following redundancies at Northvolt (Northvolt AB) (architectural and engineering activities).

This contribution represents 60 % of the total cost of EUR 14 210 537, comprising expenditure for personalised services of EUR 13 663 977 and expenditure for preparatory, management, information and publicity, control and reporting activities of EUR 546 560.

## ***Events leading to the displacements***

Northvolt was specialised in architectural and engineering activities, technical testing and battery manufacturing. The company filed for bankruptcy on 12 March 2025 due to production-related difficulties, in particular as a result of an

oversupply caused by intense competition from imports originating mainly from China, which dominates the global market accounting for more than 80 % of global battery production. As a knock-on effect of these difficulties, a further smaller wave of job displacements hit the enterprise's subcontractors, suppliers, and downstream producers.

The resolution highlighted that, the significance of job displacements in the city of Skellefteå is severe, with the unemployment rate reaching 8.2 % over the previous year. Most of the displaced workers have high levels of education and are less than 54 years old with specialised skills in the field of battery production and engineering.

## ***Personalised package of services***

Parliament noted that Sweden started providing both personalised services to the targeted beneficiaries and incurring administrative expenditure to implement the EGF on 25 October 2024 and that the period of eligibility for a financial contribution from the EGF will therefore be from that date until 24 months and until 31 months after the date of the entry into force of the financing decision, respectively.

This package includes: (i) in-depth assessment and individual planning, (ii) job-search activities and coaching, (iii) support for starting own business and investment support, (iv) labour market training, (v) training courses, (vi) special support to enter labour market or pursue education, (vii) allowances and digital skills trainings.

Assistance from the EGF must not replace actions that are the responsibility of companies, by virtue of national law or collective agreements.

It should be noted that as of August 2025, the American start-up Lyten, global leader in lithiumsulfur batteries, has entered into a binding agreement to acquire Northvolt's remaining assets in Sweden, Germany and Poland by the end of 2025, and is planning to rehire the laid-off workforce taking into account the ability to offer them equivalent positions in the region. Reemployment should be considered as a primary option and that all unused amounts should be paid back to the Commission in the case of taking over.

Lastly, the resolution stressed the urgent need for coherent and coordinated Union's efforts to ensure competitiveness and strategic autonomy and deplored that the EU battery industry suffers from subsidies Chinese government provides to its producers distorting global competition.