Mobilisation of the European Globalisation Adjustment Fund: application EGF/2025/005 AT /KTM – Austria

2026/0037(BUD) - 26/03/2026 - Budgetary text adopted by Parliament

The European Parliament adopted by 584 votes to 39, with 13 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 Austria – EGF/2025 /005 AT/KTM.

Parliament approved the proposal for a decision to mobilise the EGF to provide a financial contribution of **EUR 1 806 624** in commitment and payment appropriations to the Union budget for the financial year 2026 in respect of workers' displacements in KTM (KTM Gruppe) (Manufacture of other transport equipment).

This contribution represents 60 % of the total cost of EUR 3 011 040, comprising expenditure for personalised services of EUR 2 895 120 and expenditure for preparatory, management, information and publicity, control and reporting activities of EUR 115 920.

Events leading to the displacements

Austria submitted application EGF/2025/005 AT/KTM for a financial contribution from the EGF following 1 488 displacements in KTM Gruppe (KTM), in the economic sector classified under the NACE Revision 2 division 30 (Manufacture of other transport equipment) in the region of Upper Austria (AT31), with 233 displacements within a reference period from 25 February 2025 to 25 June 2025, and 1 255 displacements before or after the reference period.

The events giving rise to these displacements are the insolvency proceedings of KTM Gruppe.

KTM was the largest motorcycle producer of the Union and the largest subsidiary of Pierer Mobility AG. Parliament regretted that the parent company decided to move production to China and India in December 2023 due to unfair competitive conditions. Parliament noted that this led to an initial dismissal of 300 jobs and that subsequent sales losses prompted KTM to implement cost reductions, including the layoffs of over 500 employees during 2024.

Beneficiaries

The estimated number of displaced workers expected to participate in the measures is 420.

Personalised services

Members welcomed the fact that the personalised services to be provided to workers include the following measures: case management; career guidance and orientation; training and retraining; pro-active job-search; training allowances; emphasises the importance of fostering high-quality, future-oriented jobs to ensure long-term economic and social resilience; stresses the importance of close cooperation with regional businesses and employers to ensure that training and requalification programmes respond to concrete labour market needs and facilitate the rapid reintegration of displaced workers.

Parliament welcomed that Austria started providing both personalised services to the targeted beneficiaries and incurring administrative expenditure to implement the EGF on 1 March 2025 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.

It also highlighted that the Austrian authorities provided assurance 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.

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