

Mobilisation of the European Globalisation Adjustment Fund: application EGF/2026/002 ES /Galicia automotive ancillary – Spain

2026/0195(BUD) - 07/10/2026 - Budgetary text adopted by Parliament

The European Parliament adopted by 608 votes to 55, 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 (EGF) for Displaced Workers following an application from Spain (EGF /2026/002 ES/ Galicia automotive ancillary – Spain).

As a reminder, on 7 April 2026, Spain submitted an application EGF/2026/002 ES/Galicia automotive ancillary for a financial contribution from the EGF, following displacements in the automotive ancillary industry in the NUTS 2 region of Galicia in Spain.

Parliament approved the decision annexed to the resolution to mobilise an amount of **EUR 2 725 100** in commitment and payment appropriations to assist displaced workers in the automotive ancillary industry in the region of Galicia.

The financial contribution represents **85%** of the total cost of EUR 3 206 000, comprising expenditure for personalised services of EUR 3 046 000 and expenditure for preparatory, management, information and publicity, control and reporting activities of EUR 160 000.

Events leading to redundancies

Since 2024, Spain's car components industry has been steadily worsening. In October 2025, the sector's employers' association (Sernauto) revised its year-end forecasts, projecting a near 2% decline in revenue and a 1% drop in employment (3 000 jobs), marking the second consecutive year of aggregate decline. In 2024, the sector recorded EUR 41 238 billion in sales, a 0.7% contraction year-on year and a 0.7% reduction in direct employment, alongside significant declines in productive investment (-12.3%) and R&D (-2%). These figures confirm that the adjustment is not cyclical but rather reflects a restructuring of margins and volumes in the customer markets of Spain's car component suppliers.

Moreover, the strong export orientation of Galicia's car component enterprises, which direct 60-70% of their production to the EU, means any fluctuation in European demand directly impacts their activity, workload, and job stability. The combination of weaker-than-expected European demand, trade and supply chain disruptions, which undermine stable purchasing and new model launches, and the redirection of investment towards electrified platforms and higher electronic content is leading to job cuts in the Vigo area (Stellantis, its auxiliary network, and component suppliers).

The combination of all these factors has forced structural adjustments across the car sector's value chain in Galicia, resulting in temporary layoff schemes and redundancies (e.g. at Stellantis, Akwel Vigo Spain, or CTAG), insolvency proceedings, and liquidations (e.g. Cablerías Auto S.L. or Troqueles y Moldes de Galicia).

Beneficiaries

The application relates to 671 displaced workers who were made redundant in Galicia's automotive ancillary industry. Parliament regretted that a combination of factors including the weaker-than-expected

European demand and trade and supply chain disruptions resulted in structural adjustments across the car sector's value chain in Galicia, causing temporary layoff schemes and redundancies, insolvency proceedings, and liquidations. Moreover, eight in ten displaced workers have an educational attainment of post-secondary level or lower, with one in four being aged over 54, facing greater barriers to re-entering the labour market. The Spanish and regional authorities are called on to address social disparities and structural barriers preventing displaced workers from accessing quality employment, including unequal access to education and age-related discrimination.

Personalised services

The personalised services to be provided to workers include the following measures: (i) information, intake phase and workers' profiling; (ii) occupational guidance; (iii) training; (iv) job-search assistance; (v) tutoring; (vi) financial support and incentives to prevent long-term unemployment including for older workers.

Spain started providing personalised services to the targeted beneficiaries and incurring administrative expenditure to implement the EGF on 1 September 2026 and 1 July 2026, respectively, and that the period of eligibility for a financial contribution from the EGF will be from that date until 24 months and until 31 months after the date of the entry into force of the financing decision, respectively.

Lastly, Parliament noted that the Spanish 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. Assistance from the EGF must not replace actions that are the responsibility of public authorities or companies under national law or collective agreements.