Basic information

2008/2043(ACI) ACI - Interinstitutional agreement procedure	Procedure completed
Mobilisation of the European Globalisation Adjustment Fund: redundancies in textiles and automobile sectors **Subject** 3.40.03 Motor industry, cycle and motorcycle, commercial and agricultural vehicles 3.40.10 Textile and clothing industry, leathers 4.15.05 Industrial restructuring, job losses, redundancies, relocations, Globalisation Adjustment Fund (EGF) 4.15.12 Workers protection and rights, labour law 5.03 Global economy and globalisation **Geographical area** Malta Portugal	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
BUDG Budgets	BÖGE Reimer (PPE-DE)	20/09/2004

Committee for opinion	Rapporteur for opinion	Appointed
EMPL Employment and Social Affairs	The committee decided not to give an opinion.	26/02/2008

Council of the European Union

Council configuration	Meetings	Date
Transport, Telecommunications and Energy	2861	2008-04-07

European Commission

Commission DG	Commissioner
Budget	GRYBAUSKAITĖ Dalia

Key events

Date	Event	Reference	Summary
20/02/2008	Non-legislative basic document published	COM(2008)0094	Summary
11/03/2008	Committee referral announced in Parliament		

27/03/2008	Vote in committee		Summary
31/03/2008	Committee report tabled for plenary	A6-0083/2008	
10/04/2008	Decision by Parliament	T6-0114/2008	Summary
10/04/2008	End of procedure in Parliament		
16/05/2008	Final act published in Official Journal		

Technical information

Procedure reference	2008/2043(ACI)
Procedure type	ACI - Interinstitutional agreement procedure
Procedure subtype	Mobilisation of funds
Stage reached in procedure	Procedure completed
Committee dossier	BUDG/6/59957

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE402.790	05/03/2008	
Committee report tabled for plenary, single reading		A6-0083/2008	31/03/2008	
Text adopted by Parliament, single reading		T6-0114/2008	10/04/2008	Summary

European Commission

Document type	Reference	Date	Summary
Non-legislative basic document	COM(2008)0094	20/02/2008	Summary

Additional information

Source	Document	Date
European Commission	EUR-Lex	

Final act

Decision 2008/0370
OJ L 128 16.05.2008, p. 0006 Summary

Mobilisation of the European Globalisation Adjustment Fund: redundancies in textiles and automobile sectors

2008/2043(ACI) - 10/04/2008 - Final act

PURPOSE: to mobilise the European Globalisation Adjustment Fund (EGF) for two cases of redundancies in the textiles sector (Malta) and the automobile sector (Portugal).

LEGISLATIVE ACT: Decision 2008/370/EC of the European Parliament and of the Council on the mobilisation of the European Globalisation Adjustment Fund in accordance with point 28 of the Interinstitutional Agreement of 17 May 2006 between the European Parliament, the Council and the Commission on budgetary discipline and sound financial management.

CONTENT: the European Globalisation Adjustment Fund was established to provide additional support to workers who suffer from the consequences of major structural changes in world trade patterns and to assist them with their reintegration into the labour market. The Interinstitutional Agreement of 17 May 2006 allows the mobilisation of the Fund within the annual ceiling of EUR 500 million.

On 12 September 2007, Malta submitted an application to deploy the Fund, in respect of redundancies in the textile sector, specifically for workers made redundant by VF (Malta) Ltd and Bortex Clothing Industry Co Ltd. Moreover, on 9 October 2007, Portugal submitted an application to deploy the Fund, in respect of redundancies in the automobile sector, specifically for workers made redundant by Opel in Azambuja, Alcoa Fujikura in Seixal and Johnson Controls in Portalegre. Both applications comply with the requirements for determining the financial contributions as laid down in Article 10 of Regulation (EC) No 1927/2006 (EGF Regulation).

This Decision therefore stipulates that for the general budget of the European Union for the financial year 2008, the European Globalisation Adjustment Fund shall be mobilised to provide the sum of **EUR 3 106 882** in commitment and payment appropriations.

Mobilisation of the European Globalisation Adjustment Fund: redundancies in textiles and automobile sectors

2008/2043(ACI) - 10/04/2008 - Text adopted by Parliament, single reading

The European Parliament adopted, by 555 votes to 40 with 35 abstentions, a legislative resolution on the proposal for a decision of the European Parliament and of the Council on the mobilisation of the European Globalisation Adjustment Fund, in application of point 28 of the Interinstitutional Agreement of 17 May 2006 between the European Parliament, the Council and the Commission on budgetary discipline and sound financial management. The report had been tabled for consideration in plenary by Reimer BÖGE (PPE-DE, DE) on behalf of the Committee on Budgets.

Parliament recommended that, for the general budget of the EU for the financial year 2008, the European Globalisation Adjustment Fund should be mobilised to provide the sum of EUR 3 106 882 in commitment and payment appropriations. This sum is for the benefit of Portugal and Malta, with the aim of assisting 1549 Portuguese car industry workers and 675 Maltese textile industry workers to retrain.

Parliament recalled that, on 12 September 2007, Malta submitted an application to deploy the Fund, in respect of redundancies in the textile sector, specifically for workers made redundant by VF (Malta) Ltd and Bortex Clothing Ind Co Ltd. On 9 October 2007 Portugal submitted an application to deploy the Fund, in respect of redundancies in the automobile sector, specifically for workers made redundant by Opel in Azambuja, Alcoa Fujikura in Seixal and Johnson Controls in Portalegre. The applications comply with the requirements for determining the financial contributions as laid down in Article 10 of Regulation (EC) N°1927/2006.

Parliament requested the institutions involved to make the necessary efforts to accelerate the mobilisation of the Fund. It stressed its concern, however, regarding the nature of measures financed from the Fund with a view to reducing the number of persons remaining unemployed. Parliament asked the Commission, in cooperation with the Portuguese authorities, to closely monitor the situation in relation to the provisions of Article 3, second paragraph, of Regulation (EC) N° 1927/2006 and to report to the legislative and budgetary authorities.

Mobilisation of the European Globalisation Adjustment Fund: redundancies in textiles and automobile sectors

2008/2043(ACI) - 20/02/2008 - Non-legislative basic document

PURPOSE: the mobilisation of the European Globalisation Adjustment Fund (EGF) for two cases of redundancies in the textiles sector (Malta) and the automobile sector (Portugal).

PROPOSED ACT: Decision of the European Parliament and of the Council.

CONTENT: the Regulation (EC) No 1927/2006 of the European Parliament and of the Council created a European Globalisation Adjustment Fund to provide additional support to redundant workers who suffer from the consequences of major structural changes in world trade patterns, and to assist them with their reintegration into the labour market (see COD/2006/0033). The Interinstitutional Agreement of 17 May 2006 allows the mobilisation of the Fund within the annual ceiling of EUR 500 million.

-**Malta (application EGF/2007/08/MT/Textiles)**: the application presented by the Maltese authorities to the Commission on 12 September 2007 relates to a total of 675 redundancies in two manufacturing companies operating in the Maltese textiles sector, namely VF (Malta) Ltd. and Bortex Clothing Ind. Co Ltd. For *VF*, which is part of the multinational firm VF Corporation, the 562 redundancies were the result of the decision of this multinational to close down its factory in Malta, with effect from 31 July 2007, and move production to sites in Asia. For *Bortex*, a Maltese firm with production sites in Malta and Tunisia, the 113 redundancies were caused by the decision to reduce its activities in Malta by closing down its sewing line as from 14 September 2007, while continuing with pressing, storage and distribution activities to clients within the Community and making prototypes.

A general trend of the clothing and accessories industry in the Community to delocalise their production to lower cost non-EU countries, such as China, India and Turkey is proven. Before its accession, Malta's textile exports went predominantly to the Member States. Due to increased competition from outside the EU, the textiles sector in Malta has now come under pressure. Given the small size of the Maltese labour market, these redundancies correspond to 0.4 % of total employment.

In these circumstances, the Commission proposes to accept the application submitted by Malta. A coordinated package of eligible personalised services for the amount of EUR 1 362 207 has been proposed, of which **the requested contribution from the EGF is EUR 681 207**.

-**Portugal (application EGF/2007/10/PT/Lisboa-Alentejo)**: the application presented by the Portuguese authorities to the Commission on 9 October 2007 relates to 1 549 redundancies in two companies located in the Alentejo region (Opel Portugal and Johnson Controls) and one company located in the contiguous region of Lisboa (Alcoa Fujikura) during the 9-month period of reference lasting from 20 December 2006 to 20 September 2007. These redundancies result from a rapid decline of the Community share in world motor vehicle production, which, according to the International Organisation of Motor Vehicle Manufacturers (OICA), was 30.6 percent (for EU-15) in 2001, but had declined to 26.9 percent (for EU-25) by 2006.

In Portugal, the resulting pressure from competitors is reflected in Portuguese production figures declining from 251 000 vehicles in 2002 to 227 000 in 2006. Registrations of unemployed persons in the motor vehicle sector in the whole of mainland Portugal during the 8-month period January to August 2007 were 0.7 % higher than during the same 8-month period in 2006. For the Lisboa-Alentejo region alone, the increase in unemployment over the same period was 7.5%, demonstrating the severity of the crisis, for both the sector and the region, during the first eight months of 2007.

In these circumstances, the Commission proposes to accept the application submitted by Portugal. A coordinated package of eligible personalised services for the amount of EUR 4 851 350 has been proposed, of which **the requested contribution from the EGF is EUR 2 425 675**.

Financing: in the light of the examination of these two applications, the Commission proposes to deploy the European Globalisation Adjustment Fund for a total amount of **EUR 3 106 882**, to be allocated under heading 1a of the financial framework. This support will leave more than 25 % of the maximum annual amount earmarked for the EGF available for allocation during the last four months of 2008.