Basic information

2008/2251(ACI) ACI - Interinstitutional agreement procedure	Procedure completed
Mobilisation of the European Globalisation Adjustment Fund: redundancies in automobile and textiles sectors **Subject** 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** Lithuania Spain	

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.	

Council of the European Union

Council configuration	Meetings	Date
Justice and Home Affairs (JHA)	2899	2008-10-24

European Commission

Commission DG	Commissioner
Budget	GRYBAUSKAITĖ Dalia

Key events

Date	Event	Reference	Summary
09/09/2008	Non-legislative basic document published	COM(2008)0547	Summary
23/09/2008	Committee referral announced in Parliament		
13/10/2008	Vote in committee		Summary

15/10/2008	Committee report tabled for plenary	A6-0405/2008	
21/10/2008	Decision by Parliament	T6-0490/2008	Summary
21/10/2008	End of procedure in Parliament		
24/10/2008	Act adopted by Council after consultation of Parliament		
29/10/2008	Final act published in Official Journal		

Technical information

Procedure reference	2008/2251(ACI)
Procedure type	ACI - Interinstitutional agreement procedure
Procedure subtype	Mobilisation of funds
Stage reached in procedure	Procedure completed
Committee dossier	BUDG/6/66877

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE413.968	01/10/2008	
Committee report tabled for plenary, single reading		A6-0405/2008	15/10/2008	
Text adopted by Parliament, single reading		T6-0490/2008	21/10/2008	Summary

European Commission

Document type	Reference	Date	Summary
Non-legislative basic document	COM(2008)0547	09/09/2008	Summary

Additional information

Source	Document	Date
European Commission	EUR-Lex	

Final act

Decision 2008/0818
OJ L 285 29.10.2008, p. 0013 Summary

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

2008/2251(ACI) - 09/09/2008 - Non-legislative basic document

PURPOSE: mobilisation of the European Globalisation Adjustment Fund with respect to the recent redundancies in the automobile sector (Spain) and the textile sector (Lithuania).

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

CONTENT: Spain and Lithuania have submitted applications in accordance with Regulation (EC) 1927/2006 which lays down the eligibility rules applicable to the contributions from the European Globalisation Adjustment Fund (EGF).

Case EGF/2008/02/ES/Delphi: the application was presented by the Spanish authorities to the Commission on 6 February 2008. It concerns 1 589 redundancies, of which 1 521 occurred in Delphi Automotive Systems España, S.L.U. ("Delphi") in Puerto Real, bay of Cadiz, Andalucía (Spain), a manufacturer of components for the automobile industry. The production of motor vehicle components will be relocated to the tax free zone of Tangier (Morocco). The Commission describes the analysis of the link between the redundancies and the major structural changes in world trade patterns. The Spanish authorities claim that the closure of the Delphi factory in Puerto Real could not have been foreseen. Andalucía, where Delphi is located, is the autonomous region with the second highest unemployment rate in Spain. Due to the closure of the Delphi factory at the end of July 2007, the registered number of unemployed people in the industrial sector increased by 19.4 % between July and August 2007. In these circumstances, the redundanc ies can be seen as having a significantly negative effect on the local economy in Puerto Real, Andalucía. Spain has confirmed that the financial contribution from the EGF does not replace measures which are the responsibility of companies by virtue of national law or collective agreements and has given assurances that the actions provide support for individual workers and are not to be used for restructuring companies or sectors.

It is proposed to accept application EGF/2008/02/ES/Delphi, as evidence has been provided that these redundancies result from major structural changes in world trade patterns which have led to a serious economic disruption, which affects the local economy. A coordinated package of eligible personalised services for the amount of EUR 20 943 557 has been proposed of which the requested contribution of the EGF is **EUR 10 471 778.**

Case EGF/2008/03/LT/Alytaus Tekstile: the application was presented by the Lithuanian authorities on 8 May 2008. It concerns 1 089 redundancies following the closing down of Alytaus Tekstile, a textile manufacturing company. Lithuania argues that the redundancies are the result of a general migration of worldwide textile and clothing production towards lower-cost Asian countries, in particular China. The closure of Alytaus Tekstile was unforeseen as several major customers of the company relocated their low value-added production to Asian countries and the company had to face an unexpected rise in energy costs. Almost all of the 1 089 dismissed workers live in Alytus city municipality, where the share of the unemployed in the working-age population went up from 3% in 2006 to 3.9% in 2007 (i.e. after Alytaus Tekstil had gone bankrupt), whereas in the country as a whole this figure decreased from 3.3% to 2.9%. Lithuania has confirmed that the financial contribution from the EGF does not replace measures which are the responsibility of companies by virtue of national law or collective agreements and has given assurances that the actions provide support for individual workers and are not used for restructuring of companies or sectors. It is proposed to accept application EGF /2008/03/ LT/Alytaus Tekstile submitted by Lithuania relating to the redundancies following closing down of Alytaus Tekstile manufacturing company, as evidence has been provided that these redundancies result from major structural changes in world trade patterns which have led to a serious economic disruption, affecting the local economy. A co-ordinated package of eligible personalised services for the amount of EUR 597 987 has been proposed of which the requested contribution of the EGF is **EUR 298 994.** The Commission proposes to deploy the European Union Globalisation Adjustment Fund for a total amount of **EUR 10 770 772**, to be allocated under heading 1a of the financial framework.

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

2008/2251(ACI) - 21/10/2008 - Text adopted by Parliament, single reading

The European Parliament adopted, by 634 votes to 32 with 19 abstentions, a resolution approving the proposal for a decision of the European Parliament and of the Council on the mobilisation of the European Globalisation Adjustment Fund to provide a sum of **EUR 10 770 772** in commitment and payment appropriations with respect to the recent redundancies in the automobile sector (Spain) and the textile sector (Lithuania).

The report had been tabled for consideration in plenary by Reimer **BÖGE** (EPP-ED, DE) on behalf of the Committee on Budgets.

Spain submitted an application to deploy the Fund in respect of redundancies in the automobile sector, specifically for workers made redundant by Delphi Automotive Systems España, S.L.U and Lithuania in respect of redundancies in the textile sector, specifically for workers made redundant by Alytaus Tekstile.

Parliament requests that the institutions involved make the necessary efforts to accelerate the mobilisation of the Fund.

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

2008/2251(ACI) - 22/10/2008 - Final act

PURPOSE: to mobilise the European Globalisation Adjustment Fund with respect to the recent redundancies in the automobile sector (Spain) and the textile sector (Lithuania).

LEGISLATIVE ACT: Decision 2008/818/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: this Decision provides that the European Globalisation Adjustment Fund shall be mobilised to provide the sum of **EUR 10 770 772in commitment and payment appropriations** for the general budget of the European Union for the financial year 2008. The Fund is mobilised in favour of 2 applications made by Spain and Lithuania respectively. On 6 February 2008 Spain submitted an application to deploy the Fund in respect of redundancies in the automobile sector, specifically for workers made redundant by Delphi Automotive Systems España, S.L.U. On 8 May 2008 Lithuania submitted an application to deploy the Fund in respect of redundancies in the textile sector, specifically for workers made redundant by Alytaus Tekstile. These applications comply with the requirements for determining the financial contributions as laid down in Article 10 of Regulation (EC) No 1927/2006 (EGF Regulation).

The Fund is mobilised in order to provide a financial contribution in respect of the applications. The Fund’s contribution to Lithuania’s application is EUR 298 994. Its contribution to Spain’s application is EUR 10 471 778.

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.