Basic information

2010/0003(BUD) BUD - Budgetary procedure	Procedure completed
Mobilisation of the European Globalisation Adjustment Fund: redundancies in electrotechnical industry in Lithuania **Subject** 3.40.06 Electronics, electrotechnical industries, ICT, robotics 4.15.05 Industrial restructuring, job losses, redundancies, relocations, Globalisation Adjustment Fund (EGF) 8.70.60 Previous annual budgets **Geographical area** Lithuania	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
BUDG Budgets	BÖGE Reimer (PPE)	27/01/2010
	Shadow rapporteur GARDIAZABAL RUBIAL Eider (S&D) PICKART ALVARO Alexander Nuno (ALDE)	

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
Employment, Social Policy, Health and Consumer Affairs	3000	2010-03-08

European Commission

Commission DG	Commissioner
Budget	LEWANDOWSKI Janusz

Key events

Date	Event	Reference	Summary

22/01/2010	Non-legislative basic document published	COM(2010)0008	Summary
08/02/2010	Committee referral announced in Parliament		
23/02/2010	Vote in committee		Summary
25/02/2010	Budgetary report tabled for plenary	A7-0021/2010	
08/03/2010	Draft budget approved by Council		
09/03/2010	Decision by Parliament	T7-0043/2010	Summary
09/03/2010	Results of vote in Parliament		
09/03/2010	End of procedure in Parliament		
08/04/2010	Final act published in Official Journal		

Technical information

Procedure reference	2010/0003(BUD)
Procedure type	BUD - Budgetary procedure
Procedure subtype	Mobilisation of funds
Other legal basis	Rules of Procedure EP 165
Stage reached in procedure	Procedure completed
Committee dossier	BUDG/7/02157

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE438.399	18/02/2010	
Budgetary report tabled for plenary, 1st reading		A7-0021/2010	25/02/2010	
Budgetary text adopted by Parliament		T7-0043/2010	09/03/2010	Summary

European Commission

Document type	Reference	Date	Summary
Document attached to the procedure	SEC(2009)1620	30/11/2009	Summary
Non-legislative basic document	COM(2010)0008	22/01/2010	Summary

Additional information

Source	Document	Date

Final act

Budget 2010/0202
OJ L 088 08.04.2010, p. 0015 Summary

Mobilisation of the European Globalisation Adjustment Fund: redundancies in electrotechnical industry in Lithuania

2010/0003(BUD) - 09/03/2010 - Final act

PURPOSE: to mobilise the European Globalisation Fund (EGF) in respect of redundancies in the Lithuanian refrigerator industry.

LEGISLATIVE ACT: Decision 2010/202/EU 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: by this decision, the European Parliament and the Council have decided that for the general budget of the European Union for the financial year 2010, the European Globalisation Adjustment Fund shall be mobilised to provide the sum of **EUR 258 163** in commitment and payment appropriations.

This amount is intended to assist Lithuania in respect of redundancies in the refrigerator manufacturing sector (redundancies which occurred in the company, Snaigé, and in two of its suppliers).

Given that this application complies with the requirements for determining the financial contributions as laid down in Article 10 of Regulation (EC) No 1927/2006 (EGF), Parliament and Council have agreed that the abovementioned amount should be granted to Lithuania to meet its request.

To recall, the European Globalisation Adjustment Fund (EGF) aims 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. The Interinstitutional Agreement of 17 May 2006 on budgetary discipline allows for the mobilisation of the Fund through a flexibility mechanism, within the annual ceiling of EUR 500 million. It should also be noted that the scope of the Fund's application was extended as of 1 May 2009 to include assistance to workers made redundant as a result of the global economic and financial crisis.

Mobilisation of the European Globalisation Adjustment Fund: redundancies in electrotechnical industry in Lithuania

2010/0003(BUD) - 09/03/2010 - Budgetary text adopted by Parliament

The European Parliament adopted by 546 votes to 45 with 14 abstentions a resolution approving the attached proposal for a decision on the mobilisation of the European Globalisation Adjustment Fund (EGF).

The Fund will be mobilised for a total amount of **EUR 258 163** in commitment and payment appropriations to assist **Lithuania in respect of redundancies in the refrigerator manufacturing sector.**

Parliament recalls that the European Union set up the appropriate legislative and budgetary instruments to provide additional support to workers who suffer from the consequences of major structural changes in world trade patterns and to assist their reintegration into the labour market.

Given that Lithuania requested assistance in respect of cases concerning redundancies in the refrigerator manufacturing sector which occurred in one enterprise –"Snaigė" plc - and two of its suppliers, and that this application fulfils the eligibility criteria set up by the EGF Regulation, Parliament requests the institutions involved to make the necessary efforts to accelerate the mobilisation of the EGF for the requested amount.

Parliament recalls the institutions' commitment to ensure a smooth and rapid procedure for the adoption of the decisions on the mobilisation of the EGF, providing one-off, time-limited individual support geared to helping workers who have suffered redundancies as a result of globalisation. It stresses that the European Union should use all its means to face the consequences of the global economic and financial crisis and that, in this context, the EGF can play a crucial role in the reintegration of the workers made redundant into the labour market.

In addition, Parliament recalls that:

- the EGF should support the reintegration of the individual redundant workers into employment and that assistance from the EGF shall not replace actions which are the responsibility of companies by virtue of national law or collective agreements, nor measures restructuring companies or sectors;
- in the context of mobilising the EGF, the Commission should not systematically transfer payment appropriations from the ESF, since the EGF was created as a separate specific instrument with its own objectives and deadlines;
- the functioning and the added value of the EGF should be evaluated in the context of the general assessment of the programmes and other various instruments created by the IIA of 17 May 2006, within the process of the 2007-2013 multiannual financial framework mid-term review.

Lastly, Parliament calls on the Commission to include, in proposals for the mobilisation of the EGF, as well as in its annual reports, precise information on the complementary funding received from the European Social Fund (ESF) and other Structural Funds.

Mobilisation of the European Globalisation Adjustment Fund: redundancies in electrotechnical industry in Lithuania

2010/0003(BUD) - 22/01/2010 - Non-legislative basic document

PURPOSE: to mobilise the European Globalisation Adjustment Fund in respect of redundancies in the electronics sector in Lithuania.

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

CONTENT: Regulation EC N° 1927/2006 established the European Globalisation Adjustment Fund (EGF) 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. This Regulation has been last amended by Regulation (EC) N° 546/2009 which temporarily broadens the scope for application of EGF and modifies the eligibility criteria. The amended Regulation is applicable for applications received from 1 May 2009. The Interinstitutional Agreement of 17 May 2006 allows the mobilisation of the EGF within the annual ceiling of EUR 500 million. The Commission has carried out a thorough examination of the application submitted by Lithuania and it has made the following decision:

Lituania: Case EGF/2009/010 LT/Snaigė: Lithuania submitted the application to the Commission on 23 July 2009. It was based upon the specific intervention criteria Article 2(c) of Regulation (EC) No 1927/2006 which allows applicants to derogate from the requirements of Articles 2(a) and 2(b) in small labour markets or in exceptional circumstances when redundancies have a serious impact on employment and the local economy. Lithuania has specified that its application seeks to derogate from Article 2(a), where the normal threshold is at least 500 redundancies over a 4-month period. The redundancies in AB Snaigė took place in two major waves, peaking in November 2008 and February-March 2009, and there was no single four-month period that captured at least 500 redundancies, even though the total redundancies exceeded that figure by adding around six weeks to the reference period. The application concerns 651 redundancies of whom 480 are targeted for EGF assistance. La demande porte ainsi sur 651 licenciements dont 480 sont concernés par l'aide du FEM.

IMPACT ASSESSMENT: none.

FINANCIAL IMPLICATIONS: the total annual budget available for the EGF is EUR 500 million. On the basis of the application for support from the Fund submitted by Lithuania, the Commission proposes to accept application EGF/2009/010 LT/Snaigė relating to the redundancies in AB Snaigė and two of its suppliers, as evidence of a direct and demonstrable link has been provided that these redundancies result from the global financial and economic crisis. A co-ordinated package of eligible personalised services has been proposed of which the requested contribution of the EGF is **EUR 258 163** being 65% of the total cost.

By presenting this proposal to deploy the Fund, the Commission initiates the simplified trialogue procedure, as required by Point 28 of the Interinstitutional Agreement of 17 May 2006, in view of securing the agreement of the two arms of the budgetary authority on the need to use the Fund and the amount required. The Commission invites the first of the two arms of the Budgetary Authority that reaches agreement on the draft mobilisation proposal, at appropriate political level, to inform the other arm and the Commission of its intentions.

Mobilisation of the European Globalisation Adjustment Fund: redundancies in electrotechnical industry in Lithuania

2010/0003(BUD) - 30/11/2009 - Document attached to the procedure

In this document, the Commission gives a detailed analysis of the reasons for which it is proposing the mobilisation of the European Globalisation Adjustment Fund in favour of Lithuania.

The Lithuanian application relates to 651 redundancies in AB Snaigė, a manufacturer of refrigerators, and two of its suppliers, who were made redundant during a period slightly longer than the normal reference period of four months.

In order to establish the link between the redundancies and the financial and economic crisis, Lithuania argues that the global economic and financial crisis has had a serious impact on the market for refrigerators and refrigerating equipment. Snaigė has seen its sales in the EU and in the rest of Europe plummet since mid-2008, with the inevitable consequence of redundancies. The steep drops in sales are consistent with trends seen elsewhere in the EU, where manufacture of electrical equipment has suffered declines of over 22% in the first quarter of 2009 and a further drop of 27.5% in April 2009 alone.

Accordingly, the Commission's analysis leads it to conclude that it will approve **EGF/2009/010 LT/Snaigė** presented by Lithuania relating to the redundancies in AB Snaigė and two of its suppliers, as evidence of a direct and demonstrable link has been provided that these redundancies result from the global economic and financial crisis.

A co-ordinated package of eligible personalised services has been proposed. It is proposed to deploy **EUR 258 163** from the EGF.