Basic information

2010/0005(BUD) BUD - Budgetary procedure	Procedure completed
Mobilisation of the European Globalisation Adjustment Fund: redundancies in automotive manufacturing industry in Germany **Subject** 3.40.03 Motor industry, cycle and motorcycle, commercial and agricultural vehicles 4.15.05 Industrial restructuring, job losses, redundancies, relocations, Globalisation Adjustment Fund (EGF) 8.70.60 Previous annual budgets **Geographical area** Germany FR	

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)0007	Summary
08/02/2010	Committee referral announced in Parliament		
23/02/2010	Vote in committee		Summary
25/02/2010	Budgetary report tabled for plenary	A7-0020/2010	
08/03/2010	Draft budget approved by Council		
09/03/2010	Decision by Parliament	T7-0042/2010	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	2010/0005(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/7/02159

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE438.417	05/02/2010	
Budgetary report tabled for plenary, 1st reading		A7-0020/2010	25/02/2010	
Budgetary text adopted by Parliament		T7-0042/2010	09/03/2010	Summary

European Commission

Document type	Reference	Date	Summary
Document attached to the procedure	SEC(2009)1619	30/11/2009	Summary
Non-legislative basic document	COM(2010)0007	22/01/2010	Summary

Additional information

Source	Document	Date
European Commission	EUR-Lex	

Final act
Budget 2010/0201 OJ L 088 08.04.2010, p. 0014 Summary

Mobilisation of the European Globalisation Adjustment Fund: redundancies in automotive manufacturing industry in Germany

2010/0005(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 Germany.

The application relates to 2 476 redundancies in different parts of the Karmann group, of which 1 618 occurred during the reference period, 803 before the reference period and 55 after the reference period.

In order to establish the link between the redundancies and structural changes in world trade patterns, Germany argues that the automotive manufacturing industry in the EU has been seriously impacted by a change in world trade patterns, in particular a significant reduction of the EU market share. The application cites a reduction in EU market share (in terms of the numbers of cars produced) from 32.1% in 2000 to 25.8% in 2008, to the advantage of the BRIC countries (Brazil, Russia, India and China), the market share of which increased from 8.9% in 2000 to 21.2% in 2008.

The German authorities further argue that the impact of the structural changes in world trade has been exacerbated by the global financial and economic crisis and the ensuing reduction in demand for motor vehicles since the second half of 2008.

In conclusion, it is the opinion of the Commission services that the 2 476 redundancies in Karmann can be linked to structural changes in world trade patterns, which have led to a significant reduction of the EU market share in the production of motor cars.

Accordingly, the Commission's analysis leads it to conclude that it will approve EGF/2009/013 DE/Karmann submitted by Germany relating to the redundancies in Karmann, as evidence has been provided that these redundancies result from structural changes in world trade patterns which have led to a serious economic disruption, affecting the regional or local economy. A co-ordinated package of eligible personalised services has been proposed. It is proposed to deploy **EUR 258 163** from the EGF.

Mobilisation of the European Globalisation Adjustment Fund: redundancies in automotive manufacturing industry in Germany

2010/0005(BUD) - 22/01/2010 - Non-legislative basic document

PURPOSE: to mobilise the European Globalisation Adjustment Fund (EGF) in respect of redundancies in the automotive manufacturing sector in Germany.

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

CONTENT: Regulation (EC) No 1927/2006 established the 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. This Regulation was last amended by Regulation (EC) N° 546/2009 which broadens temporarily the scope for application of EGF. The amended Regulation is applicable for applications received as of 1 May 2009 to include support for workers made redundant as a direct result of the global financial and economic crisis. The Interinstitutional Agreement of 17 May 2006 allows the mobilisation of the EGF within the annual ceiling of EUR 500 million.

The Commission carried out a thorough examination of the application submitted by Germany:

Germany: **Case EGF/2009/013 DE/ Karmann**: Germany submitted the application to the Commission on 13 August 2009 and supplemented it by additional information up to 23 October 2009. It was based upon the specific intervention criteria of Article 2(a) of Regulation (EC) No 1927/2006 which requires at least 500 redundancies over a four-month period in an enterprise in a Member State, including workers made redundant in its suppliers or downstream producers. The application concerns 2 476 redundancies in two companies of the enterprise Karmann GmbH (Wilhelm Karman GmbH and Karmann-Rheine GmbH & Co.KG), of whom 1 793 are targeted for EGF assistance.

IMPACT ASSESSMENT: non applicable.

FINANCIAL IMPLICATIONS: the total annual budget available for the EGF is EUR 500 million. An amount of EUR 258 163 has already been mobilised for prior application in 2010 leaving an amount of EUR 499 741 837 available. The Commission's proposed allocation under the Fund is based on the information made available by Germany. On the basis of the application for support from the Fund submitted by Germany and in which the automotive manufacturing sector is affected, the contribution from the EGF to the coordinated package of personalised services to be funded is of **EUR 6 199 341**, representing 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 Inter-institutional 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 automotive manufacturing industry in Germany

2010/0005(BUD) - 09/03/2010 - Final act

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

LEGISLATIVE ACT: Decision 2010/201/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 6 199 341** in commitment and payment appropriations.

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 Germany 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 automotive manufacturing industry in Germany

2010/0005(BUD) - 09/03/2010 - Budgetary text adopted by Parliament

The European Parliament adopted by 525 votes to 52 with 15 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 6 199 341** in commitment and payment appropriations **to assist Germany in respect of redundancies in the automotive 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 Germany requested assistance in respect of cases concerning redundancies in the automotive manufacturing industry which occurred in one enterprise – Karmann – and that the 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.

Furthermore, 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.

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