Basic information

2010/2136(BUD) BUD - Budgetary procedure	Procedure completed
Mobilisation of the European Globalisation Adjustment Fund: redundancies in textiles sector in Spain **Subject** 3.40.10 Textile and clothing industry, leathers 4.15.05 Industrial restructuring, job losses, redundancies, relocations, Globalisation Adjustment Fund (EGF) 8.70.60 Previous annual budgets **Geographical area** Spain	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
BUDG Budgets	MATERA Barbara (PPE)	08/09/2010
	Shadow rapporteur 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
Justice and Home Affairs (JHA)	3034	2010-10-07

European Commission

Commission DG	Commissioner
Budget	LEWANDOWSKI Janusz

Key events

Date	Event	Reference	Summary
		COM(2010)0437	Summary

20/08/2010	Non-legislative basic document published		
07/09/2010	Committee referral announced in Parliament		
29/09/2010	Vote in committee		Summary
01/10/2010	Budgetary report tabled for plenary	A7-0259/2010	
07/10/2010	Decision by Parliament	T7-0345/2010	Summary
07/10/2010	Results of vote in Parliament		
07/10/2010	Draft budget approved by Council		
07/10/2010	End of procedure in Parliament		
04/11/2010	Final act published in Official Journal		

Technical information

Procedure reference	2010/2136(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/7/03574

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE448.799	10/09/2010	
Amendments tabled in committee		PE448.958	21/09/2010	
Budgetary report tabled for plenary, 1st reading		A7-0259/2010	01/10/2010	
Budgetary text adopted by Parliament		T7-0345/2010	07/10/2010	Summary

European Commission

Document type	Reference	Date	Summary
Non-legislative basic document	COM(2010)0437	20/08/2010	Summary

Additional information

Source	Document	Date
European Commission	EUR-Lex	

Final act

Decision 2010/0664
OJ L 286 04.11.2010, p. 0020 Summary

Mobilisation of the European Globalisation Adjustment Fund: redundancies in textiles sector in Spain

2010/2136(BUD) - 20/10/2010 - Final act

PURPOSE: to mobilise the European Globalisation Adjustment Fund in respect of redundancies in the textile sector in Spain.

LEGISLATIVE ACT: Decision 2010/664/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 application (EGF/2010/003 ES/Galicia Textiles from Spain).

CONTENT: by this Decision, the European Parliament and the Council have decided to mobilise **EUR 1 844 700** in commitment and payment appropriations from the European Globalisation and Adjustment Fund in the framework of the 2010 budget.

The Fund will be mobilised to assist Spain in respect of redundancies in the textile sector (redundancies in 82 enterprises operating in the textile sector in Galicia.

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, the Parliament and the Council have decided to respond by providing the aforementioned amount.

To recall, the European Globalisation Adjustment Fund (EGF) was set up 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 allows the mobilisation of the Fund within the annual ceiling of EUR 500 million. It should also be noted that the scope of the EGF was broadened for applications submitted from 1 May 2009 to include support for workers made redundant as a direct result of the global financial and economic crisis.

Mobilisation of the European Globalisation Adjustment Fund: redundancies in textiles sector in Spain

2010/2136(BUD) - 20/08/2010 - Non-legislative basic document

PURPOSE: to mobilise the European Globalisation Adjustment Fund in respect of redundancies in the textile sector in Spain.

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

CONTENT: Regulation (EC) No 1927/2006 establishing the European Globalisation Adjustment Fund was set up 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 allows the mobilisation of the Fund within the annual ceiling of EUR 500 million.

The Commission examined the application made by Spain to mobilise the EGF. The main elements of the assessment are as follows:

Spain: EGF/2010/003 ES/Galicia Textiles: on 5 February 2010, Spain submitted application EGF/2010/003 ES/Galicia Textiles for a financial contribution from the EGF, following redundancies in 82 enterprises operating in the NACE Revision 2 Division 14 (manufacture of wearing apparel) in the NUTS II region Galicia (ES11) in Spain.The application was supplemented by additional information up to 11 May 2010.

In order to establish the link between the redundancies and the major structural changes in world trade patterns due to globalisation, Spain argues that the liberalisation of trade in textiles and clothing has led to radical changes in the structure of world trade. According to statistics, imports of clothing into the EU-27 increased by 20.5 % from €49 305 million to €59 433 million between 2005 and 2008. The main supplier was China with an increase of 49.2 % of its imports into the EU-27 in the period 2005-08.

Spain submitted this application under the intervention criteria of Article 2(b) of Regulation (EC) No 1927/2006, which requires at least 500 redundancies over a nine-month period in enterprises operating in the same NACE Revision 2 Division in one region or two contiguous regions at NUTS II level in a Member State. The application cites 703 redundancies in 82 enterprises operating in the same NACE Revision 2 Division 14 (manufacture of wearing apparel) during the nine-month reference period from 1 March 2009 to 30 November 2009, all located in the NUTS II region Galicia (ES11).

After a thorough examination of this application, the Commission has concluded in accordance with Article 10 of Regulation (EC) No 1927/2006 that the conditions for a financial contribution under this Regulation are met.

The proposed contribution from the EGF to the coordinated package of personalised services is **€1 844 700.**

IMPACT ASSESSMENT: no impact assessment was carried out.

FINANCIAL IMPLICATION: considering the maximum possible amount of a financial contribution from the EGF under Article 10(1) of Regulation (EC) No 1927/2006, as well as the scope for reallocating appropriations, the Commission proposes to mobilise the EGF for the total amount of **€1 844 700**, to be allocated under heading 1a of the financial framework.

The proposed amount of financial contribution will leave more than 25 % of the maximum annual amount earmarked for the EGF available for allocations during the last four months of the year.

By presenting this proposal to mobilise the EGF, the Commission initiates the simplified trialogue procedure, as required by Point 28 of the Inter-institutional Agreement of 17 May 2006, with a view to securing the agreement of the two arms of the budgetary authority on the need to use the EGF 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. In case of disagreement by either of the two arms of the budgetary authority, a formal trialogue meeting will be convened.

The Commission presents separately a transfer request in order to enter in the 2010 budget specific commitment and payment appropriations, as required in Point 28 of the Interinstitutional Agreement of 17 May 2006.

Mobilisation of the European Globalisation Adjustment Fund: redundancies in textiles sector in Spain

2010/2136(BUD) - 07/10/2010 - Budgetary text adopted by Parliament

The European Parliament adopted by 538 votes to 64 with 8 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 1 844 700** in commitment and payment appropriations **to assist Spain in respect of redundancies in the textiles sector.**

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

Noting that Spain has requested assistance in respect of cases concerning 703 redundancies in 82 enterprises operating in the NACE Division 2 Revision 14 (manufacture of clothing apparel) in the NUTS II region of Galicia, and that the application fulfils the eligibility criteria set up by the EGF Regulation, Parliament asks the institutions involved to make the necessary efforts to accelerate the mobilisation of the EGF.

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.

Parliament welcomes the fact that, in the context of mobilising the EGF, **an alternative source of payment appropriations to unused ESF funds has been proposed by the Commission**, following the frequent reminders by the European Parliament that the EGF was created as a separate specific instrument with its own objectives and deadlines and that appropriate budget lines for transfers must therefore be identified.

It also notes that, in order to mobilise the EGF for this case, payment appropriations will be transferred from a budget line dedicated to the support of SMEs and innovation; (even if it regrets the severe shortcomings of the Commission when implementing programmes on competitiveness and innovation, particularly during an economic crisis which should significantly increase the need for such support).

Lastly, Parliament welcomes the new format of the Commission's proposal, presenting in its explanatory memorandum, clear and detailed information on the application, analysing the eligibility criteria and explaining the reasons which lead to its approval, which is in line with Parliament's requests.