Basic information

2010/2251(BUD) BUD - Budgetary procedure	Procedure completed
Mobilisation of the European Globalisation Adjustment Fund: redundancies in the textile 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)	09/11/2010
	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
Employment, Social Policy, Health and Consumer Affairs	3053	2010-12-06

European Commission

Commission DG	Commissioner
Budget	LEWANDOWSKI Janusz

Key events

Date	Event	Reference	Summary
		COM(2010)0613	Summary

29/10/2010	Non-legislative basic document published		
10/11/2010	Committee referral announced in Parliament		
02/12/2010	Vote in committee		Summary
06/12/2010	Budgetary report tabled for plenary	A7-0357/2010	
06/12/2010	Draft budget approved by Council		
14/12/2010	Decision by Parliament	T7-0459/2010	Summary
14/12/2010	Results of vote in Parliament		
14/12/2010	End of procedure in Parliament		
28/12/2010	Final act published in Official Journal		

Technical information

Procedure reference	2010/2251(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/7/04433

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE452.648	08/11/2010	
Budgetary report tabled for plenary, 1st reading		A7-0357/2010	06/12/2010	
Budgetary text adopted by Parliament		T7-0459/2010	14/12/2010	Summary

European Commission

Document type	Reference	Date	Summary
Non-legislative basic document	COM(2010)0613	29/10/2010	Summary

Additional information

Source	Document	Date
European Commission	EUR-Lex	

Final act

Decision 2010/0808
OJ L 342 28.12.2010, p. 0020 Summary

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

2010/2251(BUD) - 15/12/2010 - Final act

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

LEGISLATIVE ACT: Decision 2010/808/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/2010/009 ES/Comunidad Valenciana Textiles from Spain).

CONTENT: by this Decision, the European Parliament and the Council have decided to mobilise **EUR 2 059 466** 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 industry.

Given that this application complies with the requirements for determining the financial contributions as laid down in 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 the textile sector in Spain

2010/2251(BUD) - 14/12/2010 - Budgetary text adopted by Parliament

The European Parliament adopted by 536 votes to 64, with 24 abstentions, a resolution approving the annexed proposal for a decision on the mobilisation of the European Globalisation Adjustment Fund for an amount of **EUR 2 059 466** in commitment and payment appropriations in respect of **redundancies in the textile sector in Spain**.

Parliament recalls that the European Union has 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. Given that Spain has requested assistance in respect of cases concerning 350 redundancies in 143 enterprises operating in the NACE Revision 2 Division 13 (Manufacture of textiles) in the NUTS II region of Comunidad Valenciana, 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 ensuring 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 and the financial and economic crisis.

Parliament recalls the institutions' commitment to ensuring 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 and the financial and economic crisis.

Parliament also recalls that:

- assistance from the EGF must not replace actions which are the responsibility of companies by virtue of national law or collective agreements, nor measures restructuring companies or sectors;
- the information provided by the Commission on the coordinated package of personalised services to be funded from the EGF includes detailed information on the complementarity with actions funded by the Structural Funds (Parliament reiterates its call to present a comparative evaluation of these data in the Commission annual reports as well);
- the functioning and the added value of the EGF should be evaluated in the context of the general assessment of the programmes and various other instruments created by the IIA of 17 May 2006 within the process of the 2007-2013 Multiannual Financial Framework mid-term review.

In parallel, Parliament welcomes the fact that, in the context of mobilising the EGF, **an alternative source of payment appropriations to unused European Social Fund 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.

Parliament 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 European Commission when implementing the framework 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, which presents in its explanatory memorandum clear and detailed information on the application, analyses the eligibility criteria and explains the reasons which led to its approval, which is in line with Parliament's requests.

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

2010/2251(BUD) - 29/10/2010 - Non-legislative basic document

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

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

CONTENT: the European Globalisation Adjustment Fund (EGF) was established by Council Regulation No 1927/2006 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 European Globalisation Adjustment Fund (EGF) through a flexibility mechanism, within the annual ceiling of EUR 500 million over and above the relevant headings of the financial framework.

The Commission services have carried out a thorough examination of the application submitted by Spain to mobilise the EGF. The main elements of the assessment are as follows:

Spain:application EGF/2010/009 ES/Comunidad Valenciana Textiles from Spain): on 22 March 2009, Spain submitted application EGF/2010/009 ES /Comunidad Valenciana Textiles for a financial contribution from the EGF, following redundancies in 143 enterprises operating in the NACE Revision 2 Division 13 (manufacture of textiles)in the NUTS II region of Comunidad Valenciana (ES52) in Spain. The application was supplemented by additional information up to 17 June 2010.

In order to establish a link between the redundancies and the major structural changes in world trade patterns due to globalisation, Spain argues, using EUROSTAT trade statistics, that the EU trade balance in textiles has deteriorated substantially over the period 2004-2008. There was a 13 % increase in imports of textiles into EU over the period 2004-2008; over the same period, the export of textiles from the EU to the rest of the world decreased by 0.5 %. The trade balance for textiles of the EU decreased from a surplus of EUR 927 million in 2004 to a deficit of EUR 1 441 million in 2008.

This decline in demand was also felt in Spain. During the period 2005-2008, the Spanish balance of trade for textiles, which at the time was already negative, decreased by a further 15%.

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. The application cites 544 redundancies in 143 enterprises classified in the same NACE Revision 2 Division during the nine-month reference period from 13 April 2009 to 12 January 2010, all located in a single region at NUTS II level, the Comunidad Valenciana.

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.

On the basis of the application from Spain, the proposed contribution from the EGF to the coordinated package of personalised services is **EUR 2 059 466**, representing 65% of the total cost.

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 **EUR 2 059 466** 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 Interinstitutional 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.