## Basic information

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|---|---|
| **2010/2266(BUD)**<br><br>BUD - Budgetary procedure | Procedure completed |
| Mobilisation of the European Globalisation Adjustment Fund: redundancies in diesel engine manufacturing in Poland<br><br>**Subject**<br><br>3.40.03 Motor industry, cycle and motorcycle, commercial and agricultural vehicles<br>4.15.05 Industrial restructuring, job losses, redundancies, relocations, Globalisation Adjustment Fund (EGF)<br>8.70.60 Previous annual budgets<br><br>**Geographical area**<br><br>Poland | |

## Key players

### European Parliament

| Committee responsible | Rapporteur | Appointed |
|---|---|---|
| BUDG Budgets | MATERA Barbara (PPE) | 09/11/2010 |
| | Shadow rapporteur<br><br>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 |
|---|---|---|---|
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|---|---|---|---|
| 05/11/2010 | Non-legislative basic document published | COM(2010)0631 | Summary |
| 10/11/2010 | Committee referral announced in Parliament | | |
| 02/12/2010 | Vote in committee | | Summary |
| 03/12/2010 | Budgetary report tabled for plenary | A7-0352/2010 | |
| 06/12/2010 | Draft budget approved by Council | | |
| 14/12/2010 | Decision by Parliament | T7-0462/2010 | 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

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| **Procedure reference** | 2010/2266(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/7/04470 |

## Documentation gateway

**European Parliament**

| Document type | Committee | Reference | Date | Summary |
|---|---|---|---|---|
| Committee draft report | | PE452.691 | 11/11/2010 | |
| Budgetary report tabled for plenary, 1st reading | | A7-0352/2010 | 03/12/2010 | |
| Budgetary text adopted by Parliament | | T7-0462/2010 | 14/12/2010 | Summary |

**European Commission**

| Document type | Reference | Date | Summary |
|---|---|---|---|
| Non-legislative basic document | COM(2010)0631 | 05/11/2010 | Summary |

## Additional information

| Source | Document | Date |
|---|---|---|
| European Commission | EUR-Lex | |

Final act

Decision 2010/0807
OJ L 342 28.12.2010, p. 0019 Summary

# Mobilisation of the European Globalisation Adjustment Fund: redundancies in diesel engine manufacturing in Poland

2010/2266(BUD) - 15/12/2010 - Final act

PURPOSE: to mobilise the European Globalisation Adjustment Fund (EGF) in respect of redundancies in respect of redundancies in diesel engine manufacturing in Poland.

LEGISLATIVE ACT: Decision 2010/807/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/2010/006 PL/H. Cegielski-Poznań from Poland).

CONTENT: by this Decision, the European Parliament and the Council have decided to mobilise **EUR 114 250** 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 Poland in respect of redundancies in diesel engine manufacturing.

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 diesel engine manufacturing in Poland

2010/2266(BUD) - 14/12/2010 - Budgetary text adopted by Parliament

The European Parliament adopted by 566 votes to 49, with 23 abstentions, a resolution approving the annexed proposal for a decision on the mobilisation of the European Globalisation Adjustment Fund for an amount of **EUR 114 250** in commitment and payment appropriations in respect of **redundancies in diesel engine manufacturing in Poland**.

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 Poland has requested assistance in respect of cases concerning 189 redundancies in *H. Cegielski-Poznań* and four of its suppliers, which operate in the manufacture of marine diesel engines sector, 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 diesel engine manufacturing in Poland

2010/2266(BUD) - 05/11/2010 - Non-legislative basic document

PURPOSE: to mobilise the European Globalisation Adjustment Fund (EGF) in respect of redundancies in diesel engine manufacturing in Poland.

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 Poland to mobilise the EGF. The main elements of the assessment are as follows:

**Poland:application EGF/2010/006 PL/H.Cegielski-Poznań from Poland**: on 8 March 2010, Poland submitted application EGF/2010/006 PL/H.Cegielski-Poznań for a financial contribution from the EGF, following redundancies in H. Cegielski-Poznań and four of its suppliers. The application was supplemented by additional information up to 10 August 2010.

In order to establish the link between the redundancies and the global financial and economic crisis, Poland explains that H.Cegielski-Poznań is a manufacturer of twostroke diesel engines used to drive ships, and also used at power plants. It also produces radial air blowers, piston and rotary compressors. The core business of H.Cegielski-Poznań is the manufacture of marine diesel engines under licences from MAN Burmeister & Wain and Wärtsilä Switzerland Ltd (the licences are valid until the end of 2012). A combination of factors brought about reduced shipbuilding requirements and by the end of 2008 / beginning of 2009, the placement of new orders came to an almost complete halt. It is estimated that some 30% of the fleet in 2011 will be surplus and that therefore some 53 million deadweight tons (dwt) out of a total orderbook of 566 million dwt will be cancelled. Already, the crisis has caused a high number of inactive ships and ships operating at slow speeds around the world. In the future, the shipbuilding industry is expected to move to low cost areas, mainly in Asia, which have been increasing their market share spectacularly in the years leading up to the crisis.

Poland submitted this application under the 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 cites 550 redundancies in H.Cegielski-Poznań and four of its suppliers during the reference period from 1 September 2009 to 1 January 2010.

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 Poland, the proposed contribution from the EGF to the coordinated package of personalised services is **EUR 114 250**, 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 114 250** 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.