Basic information

2011/2074(BUD) BUD - Budgetary procedure	Procedure completed
Mobilisation of the European Globalisation Adjustment Fund: redundancies in the automotive industry in Belgium **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** Belgium	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
BUDG Budgets	MATERA Barbara (PPE)	15/04/2011

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
Competitiveness (Internal Market, Industry, Research and Space)	3094	2011-05-30

European Commission

Commission DG	Commissioner
Budget	LEWANDOWSKI Janusz

Key events

Date	Event	Reference	Summary
14/04/2011	Non-legislative basic document published	COM(2011)0212	Summary
10/05/2011	Committee referral announced in Parliament		
24/05/2011	Vote in committee		Summary

25/05/2011	Budgetary report tabled for plenary	A7-0191/2011	
30/05/2011	Draft budget approved by Council		
23/06/2011	Decision by Parliament	T7-0276/2011	Summary
23/06/2011	Results of vote in Parliament		
23/06/2011	End of procedure in Parliament		
27/07/2011	Final act published in Official Journal		

Technical information

Procedure reference	2011/2074(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/7/05844

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE464.697	26/04/2011	
Amendments tabled in committee		PE464.923	11/05/2011	
Budgetary report tabled for plenary, 1st reading		A7-0191/2011	25/05/2011	
Budgetary text adopted by Parliament		T7-0276/2011	23/06/2011	Summary

European Commission

Document type	Reference	Date	Summary
Non-legislative basic document	COM(2011)0212	14/04/2011	Summary

Additional information

Source	Document	Date
European Commission	EUR-Lex	

Final act

Decision 2011/0470
OJ L 195 27.07.2011, p. 0054

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

2011/2074(BUD) - 06/07/2011 - Final act

PURPOSE: to mobilise the European Globalisation Adjustment Fund in respect of redundancies in the automotive industry in Belgium.

NON-LEGISLATIVE ACT: Decision 2011/470/EU of the European Parliament and of the Council on 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/2010/031 BE/General Motors Belgium from Belgium).

CONTENT: 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 (EGF) shall be mobilised to provide the sum of **EUR 9 593 931** in commitment and payment appropriations.

This amount is to assist Belgium in respect of redundancies within *General Motors Belgium*.

Noting that the application from Belgium fulfils the eligibility criteria set up by the EGF Regulation (Regulation (EC) No 1927/2006), the European Parliament and the Council have decided to mobilise the requested amount.

To recall, the European Globalisation Adjustment Fund (EGF) was established to provide additional support for workers made redundant as a result of major structural changes in world trade patterns due to globalisation and to assist them with their reintegration into the labour market. The Interinstitutional Agreement of 17 May 2006 allows the mobilisation of the EGF within the annual ceiling of EUR 500 million.

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 automotive industry in Belgium

2011/2074(BUD) - 14/04/2011 - Non-legislative basic document

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

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

Belgium: application EGF/2010/031 BE/General Motors Belgium: on 20 December 2010, Belgium submitted application EGF/2010/031 BE/General Motors Belgium for a financial contribution from the EGF, following redundancies in General Motors Belgium and four of its suppliers in Belgium. The application was supplemented by additional information up to 24 January 2011.

In order to establish the link between the redundancies and the global financial and economic crisis, Belgium argues that due to the crisis the production of motor vehicles (cars, lorries and busses) in Europe dropped dramatically in 2009: a decrease of 17.3% compared to 2008 and 23% compared to the pre-crisis situation of 2007. The production of motor vehicles in Belgium followed the same trend. In 2009, the assembly of motor vehicles decreased by 23.8% compared to 2008, for the assembly of passenger cars the decrease reached even 34.8%.

Belgium 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 and downstream producers.

The application cites 1 336 redundancies in General Motors Belgium and three of its suppliers during the four-month reference period from 14 June 2010 to 14 October 2010 and a further 1 498 redundancies after the reference period in General Motors Belgium and two of its suppliers.

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 Belgium, the proposed contribution from the EGF to the coordinated package of personalised services is **EUR 9 593 931**, representing 65% of the total cost.

IMPACT ASSESSMENT: no impact assessment was carried out.

FINANCIAL IMPACT: 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 9 593 931, 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 2011 budget showing payment appropriations of EUR 47 608 950 on budget line 04.0501 "European Globalisation Adjustment Fund (EGF)", this budget line will be used to cover the amount of EUR 9 593 931 needed for the present application.

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

2011/2074(BUD) - 23/06/2011 - Budgetary text adopted by Parliament

The European Parliament adopted by 560 votes to 81, with 17 abstentions, a resolution approving on the annexed proposal for a decision to mobilise the European Globalisation Adjustment Fund (EGF) for an amount of **EUR 9 593 931** in commitment and payment appropriations in order to assist Belgium in respect of **redundancies in the automotive industry.**

The European Parliament recalls that the 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 Belgium has requested assistance in respect of cases concerning 2834 redundancies (all targeted for assistance) in the primary enterprise *General Motors Belgium* and four of its suppliers operating in the motor vehicle sector in the NUTS II region of Antwerp in Belgium, 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. It hopes that further improvements in the procedure will be reached in the framework of the upcoming review of the EGF.

Parliament stresses 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.

It 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 on the coordinated package of personalised services to be funded from the EGF includes information on the complementarity with actions funded by the Structural Funds.

Moreover, Parliament calls for an evaluation on the long-term integration of these workers into the labour market as a direct result of the EGF-funded measures as well as comparative evaluation on the complementarity with actions funded by the Structural Funds.

At the same time, Parliament welcomes the fact that, following repeated requests from the Parliament, for the first time the 2011 budget shows payment appropriations of EUR 47 608 950 on the EGF budget line 04 05 01. The EGF was created as a separate specific instrument with its own objectives and deadlines and that therefore deserves a dedicated allocation, superseding transfers from other budget lines, as done in the past, which could be detrimental to the achievement of the various policies objectives.

Lastly, Parliament considers that the issue of multinational companies, whose restructuring or relocation causes redundancies and, subsequently, the intervention of the EGF, needs to be addressed in the forthcoming revision of the EGF Regulation without compromising redundant workers' access to the EGF.