Basic information

2011/2093(BUD) BUD - Budgetary procedure	Procedure completed
Mobilisation of the European Globalisation Adjustment Fund: redundancies in the shilbuilding sector in Denmark **Subject** 3.40.04 Shipbuilding, nautical industry 4.15.05 Industrial restructuring, job losses, redundancies, relocations, Globalisation Adjustment Fund (EGF) 8.70.60 Previous annual budgets **Geographical area** Denmark	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
BUDG Budgets	MATERA Barbara (PPE)	11/05/2011
	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
Economic and Financial Affairs ECOFIN	3100	2011-06-20

European Commission

Commission DG	Commissioner
Budget	LEWANDOWSKI Janusz

Key events

Date	Event	Reference	Summary
		COM(2011)0251	Summary

06/05/2011	Non-legislative basic document published		
12/05/2011	Committee referral announced in Parliament		
16/06/2011	Vote in committee		Summary
20/06/2011	Budgetary report tabled for plenary	A7-0234/2011	
20/06/2011	Draft budget approved by Council		Summary
05/07/2011	Decision by Parliament	T7-0300/2011	Summary
05/07/2011	Results of vote in Parliament		
05/07/2011	End of procedure in Parliament		
27/07/2011	Final act published in Official Journal		

Technical information

Procedure reference	2011/2093(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/7/05993

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE464.907	11/05/2011	
Amendments tabled in committee		PE467.019	01/06/2011	
Budgetary report tabled for plenary, 1st reading		A7-0234/2011	20/06/2011	
Budgetary text adopted by Parliament		T7-0300/2011	05/07/2011	Summary

European Commission

Document type	Reference	Date	Summary
Non-legislative basic document	COM(2011)0251	06/05/2011	Summary

Additional information

Source	Document	Date
European Commission	EUR-Lex	

Final act

Decision 2011/0468
OJ L 195 27.07.2011, p. 0052 Summary

Mobilisation of the European Globalisation Adjustment Fund: redundancies in the shilbuilding sector in Denmark

2011/2093(BUD) - 06/05/2011 - Non-legislative basic document

PURPOSE: to mobilise the European Globalisation Adjustment Fund (EGF) in respect of redundancies in the ship building sector in Denmark.

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

Denmark: **application EGF/2010/025 DK/Odense Steel Shipyard from Denmark**: on 6 October 2010, Denmark submitted application EGF/2010/025 DK /Odense Steel Shipyard for a financial contribution from the EGF, following redundancies in Odense Steel Shipyard in Denmark. The application was supplemented by additional information up to 8 March 2011. The application relates to 1 356 redundancies in total in Odense Steel Shipyard. Following a survey, the applicant Member State has concluded that close to 70 % of the workers affected will wish to benefit from the EGF measures.

In order to establish the link between the redundancies and the global financial and economic crisis, Denmark argues that shipyards in Europe over the last decades have been losing substantial market shares to Asia. The global financial and economic crisis then further affected the global shipbuilding market, such that, according to the Community of European Shipyards' Associations (CESA), the global orderbook dropped from 194.2 million CGT4 to 156.2 million CGT between 2008 and 2009, while new orders dropped from 43 million CGT to 16.5 million CGT during the same period.

Denmark 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 710 redundancies in Odense Steel Shipyard during the reference period from 13 April 2010 to 31 July 2010 as well as a further 646 during the period from 10 August 2009, when the shipyard closure announcement was made, to January 2011 (incl.).

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 Denmark, the proposed contribution from the EGF to the coordinated package of personalised services is EUR 14 181 901, 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 14 181 901** 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 2011 budget specific commitment appropriations, as required in Point 28 of the Interinstitutional Agreement of 17 May 2006.

Mobilisation of the European Globalisation Adjustment Fund: redundancies in the shilbuilding sector in Denmark

2011/2093(BUD) - 20/06/2011

The Council adopted two decisions mobilising an amount of EUR 20.4 million under the European Globalisation Adjustment Fund (EGF) for workers made redundant in Denmark:

- an amount of EUR 14.2 million is allocated for dismissed workers in the enterprise Odense Steel Shipyard, arising from major structural changes in world trade patterns and a decrease in demand for cargo ships as a consequence of the global financial and economic crisis;
- a further EUR 6.2 million will be spent for dismissed workers in the enterprise LM Glasfiber because of a decrease in demand for wind turbines in connection with the crisis.

Mobilisation of the European Globalisation Adjustment Fund: redundancies in the shilbuilding sector in Denmark

2011/2093(BUD) - 05/07/2011 - Budgetary text adopted by Parliament

The European Parliament adopted by 575 votes to 61, with 30 abstentions, a resolution on the proposal for a decision of the European Parliament and of the Council on mobilisation of the European Globalisation Adjustment Fund for an amount of **EUR 14 181 901** in commitment and payment appropriations in respect of redundancies in the ship building sector in Denmark.

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 Denmark has requested assistance in respect of cases concerning 1356 redundancies (of which 950 targeted for assistance) in the enterprise *Odense Steel Shipyard* operating in shipyard sector in the municipality of Odense located in the region of Southern Denmark, 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.

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.

In parallel, Parliament welcomes the fact that, following repeated requests, for the first time the 2011 budget shows payment appropriations of EUR 47 608 950 on the EGF budget line 04 05 01. This dedicated allocation will avoid transfers from other budget lines, as happened in the past, which could be detrimental to the achievement of the various policies objectives.

Mobilisation of the European Globalisation Adjustment Fund: redundancies in the shilbuilding sector in Denmark

2011/2093(BUD) - 06/07/2011 - Final act

PURPOSE: to mobilise the European Globalisation Adjustment Fund in respect of redundancies in the ship-building sector in Denmark.

NON-LEGISLATIVE ACT: Decision 2011/468/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/2010/025 DK/ Odense Steel Shipyard from Denmark).

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 14 181 901** in commitment and payment appropriations.

This amount is to assist Denmark in respect of redundancies within the *Odense Steel Shipyard*.

Noting that the application from Denmark 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.