Basic information

2011/2125(BUD) BUD - Budgetary procedure	Procedure completed
Mobilisation of the European Globalisation Adjustment Fund: redundancies in printed circuit board manufacturing in Austria **Subject** 3.40.06 Electronics, electrotechnical industries, ICT, robotics 4.15.05 Industrial restructuring, job losses, redundancies, relocations, Globalisation Adjustment Fund (EGF) 8.70.60 Previous annual budgets **Geographical area** Austria	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
BUDG Budgets	MATERA Barbara (PPE)	27/06/2011
	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
General Affairs	3107	2011-07-18

European Commission

Commission DG	Commissioner
Budget	LEWANDOWSKI Janusz

Key events

Date	Event	Reference	Summary
		COM(2011)0339	Summary

10/06/2011	Non-legislative basic document published		
23/06/2011	Committee referral announced in Parliament		
13/07/2011	Vote in committee		Summary
18/07/2011	Draft budget approved by Council		
23/08/2011	Budgetary report tabled for plenary	A7-0279/2011	
14/09/2011	Decision by Parliament	T7-0369/2011	Summary
14/09/2011	Results of vote in Parliament		
14/09/2011	End of procedure in Parliament		
07/10/2011	Final act published in Official Journal		

Technical information

Procedure reference	2011/2125(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/7/06289

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE467.188	17/06/2011	
Amendments tabled in committee		PE469.743	01/07/2011	
Budgetary report tabled for plenary, 1st reading		A7-0279/2011	23/08/2011	
Budgetary text adopted by Parliament		T7-0369/2011	14/09/2011	Summary

European Commission

Document type	Reference	Date	Summary
Non-legislative basic document	COM(2011)0339	10/06/2011	Summary

Additional information

Source	Document	Date
European Commission	EUR-Lex	

Final act

Decision 2011/0653
OJ L 263 07.10.2011, p. 0010 Summary

Mobilisation of the European Globalisation Adjustment Fund: redundancies in printed circuit board manufacturing in Austria

2011/2125(BUD) - 14/09/2011 - Budgetary text adopted by Parliament

The European Parliament adopted by 554 votes to 61, with 19 abstentions, a resolution on the proposal for a decision to mobilise the European Globalisation Adjustment Fund (EGF) for an amount of **EUR 1 221 128** in commitment and payment appropriations in order to assist Austria in respect of **redundancies in theprinted circuit board manufacturing sector.**

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 Austria has requested assistance in respect of cases concerning 167 redundancies (of which 74 targeted for assistance) in the enterprise AT&S specialized in the printed circuit boards manufacturing in the district of Leoben located in the region of Eastern Upper Styria, Parliament requests the institutions involved to make the necessary efforts to accelerate the mobilisation of the EGF for the requested amount.

It appreciates, in this sense, the improved procedure put in place by the Commission, following Parliament's request for accelerating the release of grants. It hopes that further improvements in the procedure will be made within the framework of the upcoming reviews 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.

Mobilisation of the European Globalisation Adjustment Fund: redundancies in printed circuit board manufacturing in Austria

2011/2125(BUD) - 10/06/2011 - Non-legislative basic document

PURPOSE: to mobilise the European Globalisation Adjustment Fund (EGF) in respect of redundancies in printed circuit board manufacturing in Austria.

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

Austria: EGF/2010/008 AT/AT&S: on 11 March 2010, Austria submitted application EGF/2010/008 AT/AT&S for a financial contribution from the EGF, following redundancies in AT&S in Austria. The application was supplemented by additional information up to 22 February 2011.

In order to establish the link between the redundancies and major structural changes in world trade patterns due to globalisation, Austria argues that the production of printed circuit boards (PCBs) in Europe has for some time followed the same trend as the European mobile phone sector, i.e. mass production is being transferred to low-wage economies, mainly Asia and more specifically China. A large part of mobile phones and devices are produced in Asia, and almost three quarters of the world's PCB volume is produced there (proximity factor). Austria further argues that by approving several EGF applications in the mobile phone sector, the Commission has already recognised in the past that such a transfer of production capacities represents a structural shift in world trade patterns.

Following the drop in demand for circuit boards (- 40% in the business year 2008/2009 as compared to the previous year), AT&S decided in November 2008 to transfer its entire PCB mass production from Leoben to Shanghai resulting in a far-reaching downsizing of the Styrian site and a chain of lay-offs over more than a year. Only small and medium-sized batch production for the European market remains in Austria, supplying mainly the EU's automotive and industrial sectors.

Austria submitted the application under the intervention criterion of Article 2(c) of Regulation (EC) No 1927/2006. This provision allows applicants to derogate from the requirements of Articles 2(a) and 2(b) in small labour markets or in exceptional circumstances when redundancies have a serious impact on employment and the local economy. In this case the applicant must specify which of the main eligibility requirements its application fails to meet, and thus from which it is **seeking a derogation**.

The Austrian authorities specified that the application seeks to derogate from Article 2(a), where the normal threshold is at least 500 redundancies over a four-month period. The application cites 167 redundancies in the AT&S Leoben site over the four-month reference period from 1 September 2009 to 31 December 2009, all calculated in accordance with the second indent of the second paragraph of Article 2 of Regulation (EC) No 1927/2006.

The Commission services consider that the 167 redundancies in question along with the redundancies due to the same cause before the four-month reference period have a serious impact on employment and the economy at local and NUTS III level, and that, in combination with the particularity in respect of the mass redundancy notification rules in Austria, the exceptional circumstances criterion of Article 2(c) of Regulation (EC) No 1927/2006 is met.

On the basis of the application from Austria, the proposed contribution from the EGF to the coordinated package of personalised services is **EUR 1 221 128**, representing 65% of the total cost.

IMPACT ASSESSMENT: no impact assessment was carried out.

FINANCIAL IMPLICATIONS: 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 referred to above, 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, as required by Article 12(6) of Regulation (EC) No 1927/2006.

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.

An amount of EUR 8 523 405 remains available on the EGF Budget line 04.0501 after adoption by both arms of the Budgetary Authority of two Decisions totalling an amount of EUR 777 390, and taking into account the four cases currently discussed by the Budgetary Authority for a total amount of EUR 38 308 155. This available amount will be used to cover the amount of EUR 1 221 128 needed for the present application.

Mobilisation of the European Globalisation Adjustment Fund: redundancies in printed circuit board manufacturing in Austria

2011/2125(BUD) - 27/09/2011 - Final act

PURPOSE: to mobilise the European Globalisation Adjustment Fund in respect of redundancies in printed circuit board manufacturing in Austria.

NON-LEGISLATIVE ACT: Decision 2011/653/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/2010/008/AT/AT&S from Austria).

CONTENT: the European Parliament and the Council have decided that for the general budget of the European Union for the financial year 2011, the European Globalisation Adjustment Fund (EGF) shall be mobilised to provide the sum of **EUR1 221 128** in commitment and payment appropriations.

This amount is to assist in respect of redundancies in printed circuit board manufacturing in Austria.

Noting that the application from Austria 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.