Basic information

2011/2159(BUD) BUD - Budgetary procedure	Procedure completed
Mobilisation of the European Globalisation Adjustment Fund: redundancies in the wind turbine manufacturing industry in Denmark **Subject** 3.40.08 Mechanical engineering, machine-tool 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)	12/07/2011
	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
Foreign Affairs	3112	2011-09-26

European Commission

Commission DG	Commissioner
Budget	LEWANDOWSKI Janusz

Key events

Date	Event	Reference	Summary
		COM(2011)0421	Summary

11/07/2011	Non-legislative basic document published		
13/09/2011	Committee referral announced in Parliament		
22/09/2011	Vote in committee		Summary
22/09/2011	Budgetary report tabled for plenary	A7-0309/2011	
26/09/2011	Draft budget approved by Council		
28/09/2011	Decision by Parliament	T7-0415/2011	Summary
28/09/2011	Results of vote in Parliament		
28/09/2011	End of procedure in Parliament		
08/11/2011	Final act published in Official Journal		

Technical information

Procedure reference	2011/2159(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/7/06527

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE469.853	18/07/2011	
Amendments tabled in committee		PE472.114	08/09/2011	
Budgetary report tabled for plenary, 1st reading		A7-0309/2011	22/09/2011	
Budgetary text adopted by Parliament		T7-0415/2011	28/09/2011	Summary

European Commission

Document type	Reference	Date	Summary
Non-legislative basic document	COM(2011)0421	11/07/2011	Summary

Additional information

Source	Document	Date
European Commission	EUR-Lex	

Final act

Decision 2011/0725
OJ L 289 08.11.2011, p. 0031 Summary

Mobilisation of the European Globalisation Adjustment Fund: redundancies in the wind turbine manufacturing industry in Denmark

2011/2159(BUD) - 28/09/2011 - Budgetary text adopted by Parliament

The European Parliament adopted by 553 votes to 63, with 24 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 3 944 606** in commitment and payment appropriationsin respect of redundanciesin the wind turbine manufacturing industry 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 a case concerning 813 redundancies, of which 325 have been targeted for assistance, in six enterprises operating in the NACE Revision 2 Division 28 (‘Manufacture of machinery and equipment’) in the NUTS II region of Midtjylland (DK04) in 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.

At the same time, 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 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.

It 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. 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.

Lastly, Parliament welcomes the reinforcement of the EGF budget line 04.05.01 by EUR 50 million through Amending budget No 3/2011, which will be used to cover the amount needed for this application.

Mobilisation of the European Globalisation Adjustment Fund: redundancies in the wind turbine manufacturing industry in Denmark

2011/2159(BUD) - 11/07/2011 - Non-legislative basic document

PURPOSE: to mobilise the European Globalisation Adjustment Fund (EGF) in respect of redundancies in the wind turbine manufacturing industry 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: **EGF/2010/017 DK/Midtjylland Machinery**: on 11 May 2010, Denmark submitted application EGF/2010/017 DK/Midtjylland Machinery for a financial contribution from the EGF, following redundancies in 6 enterprises operating in the NACE Revision 2 Division 28 ('Manufacture of machinery

and equipment')in the NUTS II region of Midtjylland (DK04) in Denmark. The application was supplemented by additional information up to 21 March 2011.

In order to establish the link between the redundancies and major structural changes in world trade patterns due to globalisation, Denmark argues that the wind turbine manufacturing industry in the EU, which is included in NACE Revision 2 Division 28 ('Manufacture of machinery and equipment'), has been seriously affected by changes in world trade patterns, in particular a significant reduction of the EU market share.

Amid a dynamic global growth of the sector, Europe's share in total capacity was reduced from 65.5% in 2006 to 47.9% in 2009.

In addition, the new economic context as a result of the financial and economic crisis negatively affected the EU wind industry in 2009. As a result, the Danish wind industry experienced a sharp drop in employment in that year, as well as a drop in turnover.

Denmark 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 in a Member State. The application cites 813 redundancies in six enterprises operating in the NACE Revision 2 Division 28 ('Manufacture of machinery and equipment')in the NUTS II region of Midtjylland (DK04) during the nine-month reference period from 6 June 2009 to 6 March 2010. All of these redundancies were calculated in accordance with the third indent of the second paragraph of Article 2 of Regulation (EC) No 1927/2006.

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 France, the proposed contribution from the EGF to the coordinated package of personalised services is **EUR 3 944 606**, 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 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.

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.

As a reinforcement of the EGF budget line 04.0501 by EUR 50 000 000 is foreseen through AB2/2011, this budget line will be used to cover the amount of EUR 3 944 606 needed for the present application.

Mobilisation of the European Globalisation Adjustment Fund: redundancies in the wind turbine manufacturing industry in Denmark

2011/2159(BUD) - 25/10/2011 - Final act

PURPOSE: to mobilise the European Globalisation Adjustment Fund (EGF) in respect of redundancies in the wind turbine manufacturing industry in Denmark

LEGISLATIVE ACT: Decision 2011/725/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/2010/017 DK/Midtjylland Machinery from Denmark).

CONTENT: with this Decision, the European Parliament and the Council have decided to mobilise the European Globalisation Adjustment Fund to provide the sum of **EUR 3 944 606** in commitment and payment appropriations in the framework of the general budget 2011.

This amount will assist Denmark hit by redundancies in 6 enterprises operating in the NACE Revision 2 Division 28 ('Manufacture of machinery and equipment') in the NUTS II region of Midtjylland (DK04) in Denmark.

Given that this application complies with the requirements for determining the financial contributions as laid down in Regulation (EC) No 1927/2006 (EGF), the abovementioned amount has been granted to Denmark to meet its request.

To recall, the European Globalisation Adjustment Fund (EGF) aims 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 Fund through a flexibility mechanism, within the annual ceiling of EUR 500 million.

It should 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.