Basic information

2011/2199(BUD) BUD - Budgetary procedure	Procedure completed
Mobilisation of the European Globalisation Adjustment Fund: redundancies in the transport sector in Austria **Subject** 3.40.18 Services sector 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)	28/09/2011
	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	3122	2011-11-08

European Commission

Commission DG	Commissioner
Budget	-- --
Employment, Social Affairs and Inclusion	-- --

Key events

Date	Event	Reference	Summary

22/09/2011	Non-legislative basic document published	COM(2011)0579	Summary
27/09/2011	Committee referral announced in Parliament		
07/11/2011	Vote in committee		Summary
07/11/2011	Budgetary report tabled for plenary	A7-0379/2011	
08/11/2011	Draft budget approved by Council		
16/11/2011	Decision by Parliament	T7-0499/2011	Summary
16/11/2011	Results of vote in Parliament		
16/11/2011	End of procedure in Parliament		
30/11/2011	Final act published in Official Journal		

Technical information

Procedure reference	2011/2199(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/7/06921

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE473.789	04/10/2011	
Amendments tabled in committee		PE474.082	21/10/2011	
Budgetary report tabled for plenary, 1st reading		A7-0379/2011	07/11/2011	
Budgetary text adopted by Parliament		T7-0499/2011	16/11/2011	Summary

European Commission

Document type	Reference	Date	Summary
Non-legislative basic document	COM(2011)0579	22/09/2011	Summary
Document attached to the procedure	SEC(2011)1080	22/09/2011	

Additional information

Source	Document	Date

European Commission	EUR-Lex	

Final act
Decision 2011/0770 OJ L 317 30.11.2011, p. 0028 Summary

Mobilisation of the European Globalisation Adjustment Fund: redundancies in the transport sector in Austria

2011/2199(BUD) - 16/11/2011 - Final act

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

LEGISLATIVE ACT: Decision 2011/770/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/2011/001 AT/Niederösterreich-Oberösterreich from Austria).

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 3 643 770** in commitment and payment appropriations in the framework of the general budget 2011.

This amount will assist Austria in respect of redundancies in 706 enterprises operating in the NACE Revision 2 Division 49 (‘Land transport and transport via pipelines’) in the NUTS II regions of Niederösterreich (AT12) and Oberösterreich (AT31).

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 Austria 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.

Mobilisation of the European Globalisation Adjustment Fund: redundancies in the transport sector in Austria

2011/2199(BUD) - 16/11/2011 - Budgetary text adopted by Parliament

The European Parliament adopted by 534 votes to 71, with 19 abstentions, a resolution on the proposal for a decision on mobilisation of the European Globalisation Adjustment Fund for an amount of **EUR 3 643 770** in commitment and payment appropriations in respect of redundancies in the transport sector in Austria.

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 Austria has requested assistance in respect of a case concerning 2 338 redundancies, from which 502 targeted for assistance, in 706 enterprises operating in the NACE Revision 2 Division 49 ('Land transport and transport via pipelines') in the NUTS II regions of Niederösterreich (AT12) and Oberösterreich (AT31) in Austria, 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 the Parliament's request for accelerating the release of grants. Members hope that further improvements in the procedure will be reached in the framework of the upcoming reviews of the EGF.

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.

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.

Lastly, it welcomes the foreseen reinforcement of the EGF budget line 04.05.01. by EUR 50 million through Amending Budget 3/2011, which will be used to cover the amount needed for the present application.

Mobilisation of the European Globalisation Adjustment Fund: redundancies in the transport sector in Austria

2011/2199(BUD) - 22/09/2011 - Non-legislative basic document

PURPOSE: to mobilise the European Globalisation Adjustment Fund (EGF) in respect of redundancies in the transport sector 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 Greece to mobilise the EGF. The main elements of the assessment are as follows:

Austria: application EGF/2011/001 AT/Niederösterreich-Oberösterreich: on3 January 2011, Austria submitted application EGF/2011/001 AT /Niederösterreich-Oberösterreich for a financial contribution from the EGF, following redundancies in 706 enterprises operating in the NACE Revision 2 Division 49 ('Land transport and transport via pipelines') in the NUTS II regions of Niederösterreich (AT12) and Oberösterreich (AT31) in Austria. The application was supplemented by additional information up to 9 June 2011.

In order to establish the link between the redundancies and the global financial and economic crisis, Austria argues that the crisis with its impact on European consumer behaviour and the reduced production of goods had a particularly heavy negative impact on the transport sector which has unfolded in a delayed manner, in comparison to core industries of the secondary sector. Amid to the crisis, national transport of goods had fallen in the first six months of 2009 by an average 10-20 % compared to the previous year, and the international transport business by 20-30%. An increase of bankruptcies of at least 20% was also mentioned in the study. The freight business in Austria suffered from a decrease of 30-50% in July 2009, according to the Freight Association of the Austrian Economic Chamber (Fachverband Güterbeförderungsgewerbe der Wirtschaftskammer Österreich). For lorries with an authorized total weight above 3.5 tons, the traffic decreased in the first half of 2009 by 17% compared to the same period of the previous year. These downward trends continued in 2010 with the result that many Austrian road transport businesses had to lay off workers. Particularly affected by these developments are small and very small transport firms which often work as subcontractors for large forwarding agents.

Austria 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 2 338 redundancies in 706 enterprises operating in the NACE Revision 2 Division 49 ('Land transport and transport via pipelines') in the NUTS II regions of Niederösterreich (AT12) and Oberösterreich (AT31) during the reference period from 1 February 2010 to 31 October 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 Austria, the proposed contribution from the EGF to the coordinated package of personalised services (including expenditure to implement EGF) is **EUR 3 643 770**, 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.

Amending budget 3/2011 increased EGF budget line 04.0501 by EUR 50 million in payment appropriations. Appropriations from this budget line will be used to cover the amount of EUR 3 643 770 needed for the present application. An amount of EUR 9 009 960 remains available on the EGF Budget line 04.0501 after adoption by the two arms of the Budgetary Authority of the cases submitted to the Budgetary Authority to date.