Basic information

2011/2200(BUD) BUD - Budgetary procedure	Procedure completed
Mobilisation of the European Globalisation Adjustment Fund: redundancies in the retail sector in Greece **Subject** 3.40.17 Manufactured goods 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** Greece	

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)0580	Summary
27/09/2011	Committee referral announced in Parliament		
07/11/2011	Vote in committee		Summary
07/11/2011	Budgetary report tabled for plenary	A7-0378/2011	
08/11/2011	Draft budget approved by Council		
16/11/2011	Decision by Parliament	T7-0500/2011	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	2011/2200(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/7/06923

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE473.788	04/10/2011	
Amendments tabled in committee		PE474.086	21/10/2011	
Budgetary report tabled for plenary, 1st reading		A7-0378/2011	07/11/2011	
Budgetary text adopted by Parliament		T7-0500/2011	16/11/2011	Summary

European Commission

Document type	Reference	Date	Summary
Non-legislative basic document	COM(2011)0580	22/09/2011	Summary

Additional information

Source	Document	Date
European Commission	EUR-Lex	

Final act
Decision 2011/0771 OJ L 317 30.11.2011, p. 0029 Summary

Mobilisation of the European Globalisation Adjustment Fund: redundancies in the retail sector in Greece

2011/2200(BUD) - 16/11/2011 - Final act

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

LEGISLATIVE ACT: Decision 2011/771/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/2011/004 EL/ALDI Hellas from Greece).

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 2 918 500** in commitment and payment appropriations in the framework of the general budget 2011.

This amount will assist Greece in respect of redundancies in the enterprise ALDI Hellas Supermarket Holding EPE & Assoc. EE and one supplier (Thessaloniki Logistics SA).

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 Greece 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 retail sector in Greece

2011/2200(BUD) - 22/09/2011 - Non-legislative basic document

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

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:

Greece: **application EGF/2011/004 EL/ALDI Hellas from Greece**: on 10 May 2011, Greece submitted application EGF/2011/004 EL/ALDI Hellas for a financial contribution from the EGF, following redundancies in ALDI Hellas Supermarket Holding EPE & Assoc. E.E. and one supplier – Thessaloniki Logistics S.A. – in Greece. The application was supplemented by additional information up to 22 June 2011.

In order to establish the link between the redundancies and the global financial and economic crisis, Greece argues that the economic and financial crisis had devastating consequences for the Greek economy and led the Greek government to take measures such as increasing tax revenues, streamlining public expenditure and decreasing public employees' salaries. There has also been a decrease in the average income in the private sector in an attempt to increase the competitiveness of the Greek economy. An immediate effect of reduced income was a decrease in consumption which has severely affected the retail sector and in particular supermarkets.

ALDI's decision to invest in Greece was taken during a phase in which the retail sector showed high growth rates (13 % for the period 1992-2009).The economic and financial crisis completely changed the scenario and related expectations. Between 2005 and 2010 the cumulative losses of ALDI Hellas amounted to EUR 181 595 000.

Greece 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 554 redundancies in ALDI Hellas Supermarket Holding EPE & Assoc. E.E. and one supplier – Thessaloniki Logistics S. A. – during the four-month reference period from 4 November 2010 to 4 March 2011 and a further 88 redundancies in ALDI outside the reference period, but related to the same collective redundancies procedure and the event which triggered the redundancies during the reference period.

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 Greece, the proposed contribution from the EGF to the coordinated package of personalised services (including expenditure to implement EGF) is EUR 2 918 500, 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 2/2011 increased EGF budget line 04.0501 by EUR 50 000 000 in payment appropriations. Appropriations from this budget line will be used to cover the amount of EUR 2 918 500 needed for the present application. An amount of EUR 6 091 460 remains available on the EGF Budget line 04.0501 after adoption by both arms of the Budgetary Authority of the cases submitted to it to date.

Mobilisation of the European Globalisation Adjustment Fund: redundancies in the retail sector in Greece

2011/2200(BUD) - 16/11/2011 - Budgetary text adopted by Parliament

The European Parliament adopted by 538 votes to 74, with 20 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 2 918 500** in commitment and payment appropriations in respect of redundancies in the retail sector in Greece.

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 Greece has requested assistance in respect of a case concerning 642 redundancies, all targeted for assistance, in two enterprises in the retail sector ('supermarket and supplier') operating in the regions of Central Macedonia and Attica where the greatest number of ALDI stores was located and that smaller numbers of ALDI redundancies also occurred in other Greek regions, such as Eastern Macedonia-Thrace, Western Macedonia, Epirus, Western Greece, Mainland Greece and Peloponnese and that all 642 redundant workers are targeted for EGF assistance, Parliament requests the institutions involved to make the necessary efforts to accelerate the mobilisation of the EGF for the requested amount. Parliament appreciates in this sense the improved procedure put in place by the Commission, following the Parliament's request for accelerating the release of grants. It hopes that further improvements in the procedure will be reached in the framework of the upcoming reviews of the EGF.

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.