Basic information

2012/2164(BUD) BUD - Budgetary procedure	Procedure completed
Mobilisation of the European Globalisation Adjustment Fund: redundancies in aluminium production in the Netherlands **Subject** 3.40.02 Iron and steel industry, metallurgical industry 4.15.05 Industrial restructuring, job losses, redundancies, relocations, Globalisation Adjustment Fund (EGF) 8.70.60 Previous annual budgets **Geographical area** Netherlands	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
BUDG Budgets	DAERDEN Frédéric (S&D)	06/09/2012
	Shadow rapporteur PICKART ALVARO Alexander Nuno (ALDE)	

Committee for opinion	Rapporteur for opinion	Appointed
INTA International Trade	The committee decided not to give an opinion.	
EMPL Employment and Social Affairs	The committee decided not to give an opinion.	
ITRE Industry, Research and Energy	The committee decided not to give an opinion.	
REGI Regional Development	The committee decided not to give an opinion.	

Council of the European Union

Council configuration	Meetings	Date
General Affairs	3192	2012-10-16

European Commission	Commission DG	Commissioner
	Budget	LEWANDOWSKI Janusz

Key events

Date	Event	Reference	Summary
09/08/2012	Non-legislative basic document published	COM(2012)0450	Summary
11/09/2012	Committee referral announced in Parliament		
10/10/2012	Vote in committee		
15/10/2012	Budgetary report tabled for plenary	A7-0324/2012	Summary
16/10/2012	Draft budget approved by Council		
23/10/2012	Decision by Parliament	T7-0379/2012	Summary
23/10/2012	Results of vote in Parliament		
23/10/2012	End of procedure in Parliament		
07/11/2012	Final act published in Official Journal		

Technical information

Procedure reference	2012/2164(BUD)
Procedure type	BUD - Budgetary procedure
Procedure subtype	Mobilisation of funds
Stage reached in procedure	Procedure completed
Committee dossier	BUDG/7/10243

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE494.804	06/09/2012	
Amendments tabled in committee		PE496.460	21/09/2012	
Budgetary report tabled for plenary, 1st reading		A7-0324/2012	15/10/2012	Summary
Budgetary text adopted by Parliament		T7-0379/2012	23/10/2012	Summary

European Commission

Document type	Reference	Date	Summary
Non-legislative basic document	COM(2012)0450	09/08/2012	Summary

Additional information		
Source	**Document**	**Date**
European Commission	EUR-Lex	

Final act	
Decision 2012/0684 OJ L 307 07.11.2012, p. 0078	Summary

Mobilisation of the European Globalisation Adjustment Fund: redundancies in aluminium production in the Netherlands

2012/2164(BUD) - 15/10/2012 - Budgetary report tabled for plenary, 1st reading

The Committee on Budgets adopted the report drafted by Frédéric DAERDEN (S&D, BE) on the proposal for a decision on the mobilisation of the European Globalisation Adjustment Fund for an amount of EUR **1 494 008** in commitment and payment appropriations to assist the Netherlands in respect of redundancies in the aluminium production sector.

Members recall 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 the Netherlands have requested assistance for 616 redundancies in total (478 in *Zalco Aluminium Zeeland Company NV*, 18 redundancies in its supplier *ECL Services Netherlands B.V.* and 120 in *Start*) during the short reference period from 1 to 27 December 2011, Members request the institutions involved to make the necessary efforts to improve procedural and budgetary arrangements in order to accelerate the mobilisation of the EGF for the requested amount. Moreover, they agree with the Commission that the conditions set out in Article 2(a) of the EGF Regulation are met and that, therefore, **the Netherlands are entitled to a financial contribution under that Regulation**.

Members recall that the Netherlands are opposed to the extension of the “crisis derogation” of the current EGF which **threatens the future of the EGF after 2013** and welcome the request for an EGF contribution from the government of this country.

Members note the conditions at the source of the request for the EGF contribution and that the Court in Middelburg has pronounced *Zalco Aluminium Zeeland Company NV* as bankrupt on 13 December 2011. Because of this bankruptcy, it is expected that other workers in upstream or downstream companies will be made redundant. Members note that the redundancies will have a noticeable impact on local communities and the number of open positions compared to the number of unemployed.

They welcome the fact that the Netherlands authorities decided to start the implementation of the coordinated package already well in advance of the decision of the budgetary authority on granting the EGF support and recall the importance of improving the employability of all workers by means of tailored training and the recognition of skills and competences gained throughout the professional career.

Lessons from the implementation of the EGF: Members welcome the fact that the EGF contribution is planned to support solely active labour measures (training and counselling) and will not be used for allowances. They highlight the fact that lessons should be learned from the preparation and implementation of this and other applications addressing mass dismissals.

Members request the institutions involved to make the necessary efforts to improve procedural and budgetary arrangements **to accelerate the mobilisation of the EGF**. They also appreciate the improved procedure put in place by the Commission, following Parliament's request for accelerating the release of grants, aimed at presenting to the budgetary authority the Commission's assessment on the eligibility of an EGF application together with the proposal to mobilise the EGF. They hope that **further improvements in the procedure will be integrated in the new Regulation on the European Globalisation Adjustment Fund** (2014–2020).

Members reiterate their usual position in respect of a dossier of this type:

- the need to ensure a smooth and rapid procedure for the adoption of the decisions on the mobilisation of the EGF;
- the fact 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 and that it can co-finance only active labour market measures which lead to durable, long-term employment;
- 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 fact that the EGF should not provide an incentive for companies to replace their contractual workforce woth a more precarious and short-term one;
- the fact that 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;
- the need for a comparative evaluation of those data in the annual report on the Funds;
- the need to ensure that no duplication of Union-funded services can occur.

They also welcome the fact that following repeated requests from Parliament, the 2012 budget shows payment appropriations of EUR 50 000 000 on the EGF budget line 04 05 01; recalls that the EGF was created as a separate specific instrument with its own objectives and deadlines and therefore deserves a dedicated allocation, which will avoid transfers from other budget lines. They regret **the decision of the Council to block the extension of the "crisis derogation"**, allowing to provide financial assistance to workers made redundant as a result of the current financial and economic crisis in addition to those losing their job because of changes in global trade patterns, and allowing the increase in the rate of Union co-financing to 65% of the programme costs, for applications submitted after the 31 December 2011 deadline. They call on the Council to reintroduce this measure without delay.

Mobilisation of the European Globalisation Adjustment Fund: redundancies in aluminium production in the Netherlands

2012/2164(BUD) - 23/10/2012 - Budgetary text adopted by Parliament

The European Parliament adopted by 576 votes to 64, with 12 abstentions, a resolution approving the annexed proposal for a decision on the mobilisation of the European Globalisation Adjustment Fund (EGF), for an amount of **EUR 1 494 008** in commitment and payment appropriations **in respect of redundancies in the aluminium production sector in the Netherlands.**

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 the Netherlands have requested assistance for 616 redundancies in total (478 in *Zalco Aluminium Zeeland Company NV*, 18 redundancies in its supplier *ECL Services Netherlands B.V.* and 120 in *Start*) during the short reference period from 1 to 27 December 2011, Parliament requests the institutions involved to make the necessary efforts to improve procedural and budgetary arrangements in order to accelerate the mobilisation of the EGF for the requested amount. Moreover, it agrees with the Commission that the conditions set out in Article 2(a) of the EGF Regulation are met and that, therefore, **the Netherlands are entitled to a financial contribution under that Regulation**.

Parliament welcomes this call for the EGF financial contribution by the Dutch Government even though this Member State has opposed the extension of the crisis derogation for the current EGF and **jeopardises the future of the EGF after 2013**.

Parliament notes the conditions at the source of the request for the EGF contribution and that the Court in Middelburg pronounced *Zalco Aluminium Zeeland Company NV* as bankrupt on 13 December 2011. Because of this bankruptcy, it is expected that other workers in upstream or downstream companies will be made redundant. Parliament also notes that the redundancies will have a noticeable impact on local communities and the number of open positions compared to the number of unemployed: the dismissed workers live in relatively small towns (up to about 50 000 inhabitants), so that the redundancies will have a noticeable local impact, further complicating the reinsertion in the labour market.

Parliament welcomes the fact that the Netherlands authorities decided to start the implementation of the coordinated package already well in advance of the decision of the budgetary authority on granting the EGF support and recall the importance of improving the employability of all workers by means of tailored training and the recognition of skills and competences gained throughout the professional career. They particularly welcome the fact that the EGF contribution is planned to support solely active labour measures (training and counselling) and **will not be used for allowances**.

Lessons from the implementation of the EGF: Parliament welcomes the fact that the EGF contribution is planned to support solely active labour measures (training and counselling) and will not be used for allowances. It highlights the fact that lessons should be learned from the preparation and implementation of this and other applications addressing mass dismissals.

Parliament calls on the institutions involved to make the necessary efforts to improve procedural and budgetary arrangements in order to **accelerate the mobilisation of the EGF**. It appreciates the improved procedure put in place by the Commission, following its request for accelerating the release of grants. It hopes that **further improvements in the procedure will be integrated** in the new Regulation on the EGF (2014–2020) and that greater efficiency, transparency and visibility of the EGF will be achieved.

Parliament reiterates its usual position in respect of a dossier of this type:

- the need to ensure a smooth and rapid procedure for the adoption of the decisions on the mobilisation of the EGF;
- the fact 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 and that it can co-finance only active labour market measures which lead to durable, long-term employment;
- 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 fact that the EGF should not provide an incentive for companies to replace their contractual workforce with a more precarious and short-term one;
- the fact that 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;
- the need for a comparative evaluation of those data in the annual report on the Funds;
- the need to ensure that no duplication of Union-funded services can occur.

Parliament welcomes the fact that following its requests, the 2012 budget shows payment appropriations of EUR 50 million on the EGF budget line 04 05 01. It recalls that the EGF was created as a separate specific instrument with its own objectives and deadlines and that it therefore deserves a dedicated allocation, which will avoid there being transfers from other budget lines, as happened in the past, which could be detrimental to the achievement of the policy objectives of the EGF. Parliament regrets the **decision of the Council to block the extension of the "crisis derogation"**, allowing the increase in the rate of Union cofinancing to 65% of the programme costs, for applications submitted after the 31 December 2011 deadline, and calls on the Council to reintroduce this measure without delay.

Mobilisation of the European Globalisation Adjustment Fund: redundancies in aluminium production in the Netherlands

2012/2164(BUD) - 25/10/2012 - Final act

PURPOSE: the mobilisation of the European Globalisation Adjustment Fund (EGF) in respect of redundancies in aluminium production in the Netherlands.

NON-LEGISLATIVE ACT: Decision 2012/684/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/2011/021/NL/Zalco from the Netherlands).

CONTENT: by this Decision, the European Parliament and the Council have decided to mobilise the amount of *EUR 1 494 008* in commitment and payment appropriations from the European Globalisation Adjustment Fund in the framework of the 2012 budget.

This amount shall assist the Netherlands in respect of redundancies in the enterprise Zalco *Aluminium Zeeland Company NV* and two of its suppliers (*ECL Services Netherlands BV* and *Start*).

Given that the request for intervention from the Netherlands fulfils the conditions laid down in accordance with Regulation (EC) No 1927/2006, the European Parliament and the Council have decided to grant the above-mentioned amount.

To recall, the European Globalisation Adjustment Fund (EGF) was established 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. It should also 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 aluminium production in the Netherlands

2012/2164(BUD) - 09/08/2012 - Non-legislative basic document

OBJECTIVE: to mobilise the European Globalisation Adjustment Fund (EGF) to assist the Netherlands faced by redundancies in the aluminium production sector.

PROPOSED ACT: Decision of the European Parliament and 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 examined the demand to mobilise the EGF to assist the Netherlands and decided the following:

The Netherlands: EGF/2011/021 NL/Zalco: on 28 December 2011, the Netherlands submitted application EGF/2011/021 NL/Zalco for a financial contribution from the EGF, following redundancies in Zalco Aluminium Zeeland Company NV and in two supplier firms (ECL Services Netherlands bv and Start) in the Netherlands. The application was supplemented by additional information, the last of which was provided by 18 June

2012.

In order to establish the link between the redundancies and the global financial and economic crisis, the Netherlands argues that the European aluminium sector suffered from a sudden drop in consumer demand (a reduction by 25.7% from average EU aluminium usage between 2008 and 2009). The Netherlands explains that the production of Zalco Aluminium Zeeland Company NV was dependent on the construction and transport industry (which represented 63% of the main end-user market of aluminium products in Europe in 2010). The majority of Zalco's Aluminium Zeeland Company NV production was produced for the rolling and extrusion industry. Almost their entire production of extrusion billets was used for the construction and transport industries, and in particular in the automotive sector.

The Netherlands argues that Zalco Aluminium Zeeland Company NV suffered from the declining demand - due to the global financial and economic crisis - in these two sectors leading, after unsuccessful attempts to overcome the difficulties, to bankruptcy at the end of 2011.

For its part, the Commission recognised that the demand for new motor vehicles in the European Union decreased in 2009 by 5.8% compared to 2008, and that faced with this drop in demand, manufacturers of motor vehicles reduced their production even more drastically (in 2009, the production of motor vehicles in the EU decreased by 17% compared to 2008 and this downward trend continued in 2010), leading to the inevitable failure of the business.

The Netherlands 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 616 redundancies in total (478 redundancies in Zalco Aluminium Zeeland Company NV, 18 redundancies in its supplier ECL Services Netherlands bv and 120 in Start) during the short reference period from 1 to 27 December 2011.

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 the Netherlands, the proposed contribution from the EGF to the coordinated package of personalised services is **EUR 1 494 008**, 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 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 2012 budget specific commitment appropriations, as required in Point 28 of the Interinstitutional Agreement of 17 May 2006. Appropriations from the EGF budget line will be used to cover the amount of EUR 1 494 008 needed for the present application.