Basic information

2013/2264(BUD) BUD - Budgetary procedure	Procedure completed
Mobilisation of the European Globalisation Adjustment Fund: redundancies in the mobile phone sector in Finland **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** Finland	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
BUDG Budgets	NARANJO ESCOBAR Juan Andrés (PPE)	17/10/2013

Committee for opinion	Rapporteur for opinion	Appointed
EMPL Employment and Social Affairs	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
Competitiveness (Internal Market, Industry, Research and Space)	3276	2013-12-03

Key events

Date	Event	Reference	Summary
16/10/2013	Non-legislative basic document published	COM(2013)0707	Summary
22/10/2013	Committee referral announced in Parliament		
27/11/2013	Vote in committee		
28/11/2013	Budgetary report tabled for plenary	A7-0411/2013	Summary

03/12/2013	Draft budget approved by Council		
10/12/2013	Decision by Parliament	T7-0529/2013	Summary
10/12/2013	Results of vote in Parliament		
10/12/2013	End of procedure in Parliament		
21/12/2013	Final act published in Official Journal		

Technical information

Procedure reference	2013/2264(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/7/14324

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE521.798	25/10/2013	
Amendments tabled in committee		PE523.115	15/11/2013	
Budgetary report tabled for plenary, 1st reading		A7-0411/2013	28/11/2013	Summary
Budgetary text adopted by Parliament		T7-0529/2013	10/12/2013	Summary

European Commission

Document type	Reference	Date	Summary
Non-legislative basic document	COM(2013)0707	16/10/2013	Summary

Additional information

Source	Document	Date
European Commission	EUR-Lex	

Final act

Decision 2013/0788
OJ L 349 21.12.2013, p. 0096 Summary

Mobilisation of the European Globalisation Adjustment Fund: redundancies in the mobile phone sector in Finland

2013/2264(BUD) - 16/10/2013 - Non-legislative basic document

PURPOSE: to mobilise the European Globalisation Adjustment Fund (EGF) in respect of redundancies in the mobile phone sector in Finland.

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

Finland: EGF/2013/001 FI/Nokia: on 1 February 2013, Finland submitted application EGF/2013/001 FI/Nokia for a financial contribution from the EGF, following redundancies in Nokia plc, Nokia Siemens Networks and 30 of its subcontractors in Finland. The application was supplemented by additional information up to 21 August 2013.

In order to establish the link between the redundancies and major structural changes in world trade patterns due to globalisation, Finland argues that that the current difficulties of Nokia, Nokia Siemens Networks, almost all subcontractors and the affected regions go back to February 2011. At that time Nokia announced a significant change in the company's strategy and launched an extensive cooperation with Microsoft with regard to the use of Microsoft Windows Phone as its primary smartphone operating system, while keeping Nokia's own Symbian operating system as a software platform in lower priced phones until the end of 2016. The demand for Symbian phones has meanwhile dropped considerably, and the development and maintenance operations based on the Symbian system are therefore being discontinued.

The intention was to keep the Nokia Salo plant operational while reducing the company's personnel by some 12 % in offices all around the world. This led to the closure of the plant in Cluj, Romania (September 2011), for which another EGF application was presented. Nokia Siemens Networks also announced major redundancies (November 2011). On 22 March 2012, redundancies in Nokia Salo were announced, numbering 1 000 workers out of a total of 1 700.

Finland submitted application EGF/2012/006 FI/Nokia Salo in support of these workers, adding that further redundancies were already planned, and a follow-up application from Finland for the next wave of redundancies from Nokia itself and its subcontractors would be prepared.

This is the follow-up application, in support of the remaining Nokia Salo workers, Nokia workers in other parts of the country (mainly Espoo, Tampere and Oulu) and the resulting redundancies in Nokia Siemens Networks and 30 other subcontractors in various regions of Finland. These closures also led to job losses in support functions, with the greatest impact on Espoo.

Finland 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 4 509 redundancies in Nokia plc, its subsidiary Nokia Siemens Networks and other suppliers and subcontractors, of which 2 863 from 1 August 2012 to 30 November 2012.

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 Finland, the proposed contribution from the EGF to the coordinated package of personalised services is **EUR 9 810 000**, representing 50% 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.

By presenting this proposal to mobilise the EGF, the Commission initiates the simplified trilogue 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 trilogue meeting will be convened.

The Commission presents separately a transfer request in order to enter in the 2013 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 needed for the present application.

Mobilisation of the European Globalisation Adjustment Fund: redundancies in the mobile phone sector in Finland

2013/2264(BUD) - 28/11/2013 - Budgetary report tabled for plenary, 1st reading

The Committee on Budgets adopted the report by Juan Andrés NARANJO ESCOBAR (EPP, ES) on the proposal for a decision of the European Parliament and of the Council on the mobilisation of the European Globalisation Adjustment Fund for an amount of **EUR 9 810 000** in commitment and payment appropriations in order to assist Finland in respect of redundancies in the mobile phone sector.

Members recalled that the European Union set up 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 Finland submitted application EGF/2013/001 FI/Nokia following 4 509 redundancies in Nokia with 3 719 workers targeted for EFG co-funded measures, Members called on the institutions involved to make the necessary efforts to improve procedural arrangements in order to accelerate the mobilisation of the EGF for the requested amount, agreeing with the Commission that the conditions set out in Article 2(a) of the EGF Regulation have been met. **Therefore, Finland is entitled to a financial contribution under that Regulation**.

Members considered that the redundancies in the enterprise Nokia plc, Nokia Siemens Networks and 30 of its suppliers and subcontractors involved in mobile phone sector are linked to major structural changes in world trade patterns due to globalisation, referring to the transfer of functions within the sector to third countries outside Europe, and a decrease in Nokia’s market share for basic mobile phones and smartphones.

They regretted that the redundancies in Nokia stem from its corporate decision to move its production plants as well as the design and product development to Asia and that Nokia Finland was already subject to large scale redundancies in 2012 (EGF/2012/006 FI/Nokia Salo), which weighs further on the Finnish economy.

In parallel, Members welcomed the fact that the Finnish authorities started the implementation of the coordinated package of personalised service already on 1 August 2012 when the dismissals started in order to assist workers before they stop working at Nokia.

Targeted measures: Members noted that the coordinated package of personalised services to be co-funded includes measures for the reintegration of 3 719 redundant workers into employment such as coaching and other preparatory measures, training and re-training, entrepreneurship promotion, pay subsidies, etc. They noted that financial allowances to be covered by the EGF are limited and the **majority of support will be devoted to training and entrepreneurship**.

They recalled the importance of improving the employability of all workers by means of adapted training and the recognition of skills and competences gained throughout a worker's professional career; expects the training on offer in the coordinated package to be adapted not only to the needs of the dismissed workers but also to the actual business environment.

Improving the future EGF: Members requested the institutions involved to make the necessary efforts to improve procedural arrangements in order to **accelerate the mobilisation of the EGF**. They appreciated the improved procedure put in place by the Commission, following Parliament's request for the accelerated 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 hoped that **further improvements in the procedure will be integrated in the new Regulation on European Globalisation Adjustment Fund (2014-2020)** and that greater efficiency, transparency and visibility of the EGF will be achieved.

Members welcomed the agreement reached in the Council on reintroducing in the EGF Regulation, for the period 2014-2020, **the crisis mobilisation criterion**, which allows for the provision of 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.

In the process, Members reiterated their classic position when dealing with this type of request:

- it shall be ensured that the EGF supports the reintegration of individual redundant workers into stable employment;
- EGF assistance 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.

Mobilisation of the European Globalisation Adjustment Fund: redundancies in the mobile phone sector in Finland

2013/2264(BUD) - 11/12/2013 - Final act

PURPOSE: to mobilise the European Globalisation Adjustment Fund (EGF) in respect of redundancies in the mobile phone sector in Finland.

NON LEGISLATIVE ACT: Decision 2013/788/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/2013/001 FI/Nokia from Finland).

CONTENT: with this Decision, Parliament and Council decided to mobilise the European Globalisation Adjustment Fund in the sum of **EUR 9 810 000** in commitment and payment appropriations in the context of the 2013 budget.

This amount is intended to assist Finland following redundancies in Nokia plc, Nokia Siemens Networks and 30 of its subcontractors.

Acknowledging that the conditions for a financial contribution Regulation (EC) No 1927/2006 have been met by Finland, Parliament and Council decided to respond by granting the sum applied for.

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 EGF within the annual ceiling of EUR 500 million over and above the relevant headings of the financial framework.

Mobilisation of the European Globalisation Adjustment Fund: redundancies in the mobile phone sector in Finland

2013/2264(BUD) - 10/12/2013 - Budgetary text adopted by Parliament

The European Parliament adopted by 565 votes to 64, with 17 abstentions, a resolution approving the proposal for a decision on the mobilisation of the European Globalisation Adjustment Fund for an amount of **EUR 9 810 000** in commitment and payment appropriations in order to assist Finland in respect of redundancies in the mobile phone sector.

Parliament recalled that the European Union set up 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 Finland submitted application EGF/2013/001 FI/Nokia following 4 509 redundancies in Nokia with 3 719 workers targeted for EFG co-funded measures, it called on the institutions involved to make the necessary efforts to improve procedural arrangements in order to accelerate the mobilisation of the EGF for the requested amount, agreeing with the Commission that the conditions set out in Article 2(a) of the EGF Regulation have been met. **Therefore, Finland is entitled to a financial contribution under that Regulation**.

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They regretted that the redundancies in Nokia stem from its corporate decision to move its production plants as well as the design and product development to Asia and that Nokia Finland was already subject to large scale redundancies in 2012 (EGF/2012/006 FI/Nokia Salo), which weighs further on the Finnish economy.

In parallel, Parliament welcomed the fact that the Finnish authorities started the implementation of the coordinated package of personalised service already on 1 August 2012 when the dismissals started in order to assist workers before they stop working at Nokia.

Targeted measures: Parliament noted that the coordinated package of personalised services to be co-funded includes measures for the reintegration of 3 719 redundant workers into employment such as coaching and other preparatory measures, training and re-training, entrepreneurship promotion, pay subsidies, etc. It noted that financial allowances to be covered by the EGF are limited and the **majority of support will be devoted to training and entrepreneurship**.

At the same time, Parliament welcomed the fact that the social partners were consulted in relation to the preparation of the EGF application.

It recalled the importance of improving the employability of all workers by means of adapted training and the recognition of skills and competences gained throughout a worker's professional career; expects the training on offer in the coordinated package to be adapted not only to the needs of the dismissed workers but also to the actual business environment.

Improving the future EGF: it requested the institutions involved to make the necessary efforts to improve procedural arrangements in order to **accelerate the mobilisation of the EGF**. It appreciated the improved procedure put in place by the Commission, following Parliament's request for the accelerated 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. It hoped that **further improvements in the procedure will be integrated in the new Regulation on European Globalisation Adjustment Fund (2014-2020)** and that greater efficiency, transparency and visibility of the EGF will be achieved.

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