

## Basic information

2014/2025(BUD)

BUD - Budgetary procedure

Mobilisation of the European Globalisation Adjustment Fund:  
redundancies in electronic products manufacturing in Italy

### 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

Italy

Procedure completed

## Key players

European  
Parliament

### Committee responsible

**BUDG** Budgets

### Rapporteur

DAERDEN Frédéric (S&D)

### Appointed

05/03/2014

### Shadow rapporteur

GARRIGA POLLEDO  
Salvador (PPE)

PICKART ALVARO  
Alexander Nuno (ALDE)

TRÜPEL Helga (Verts/ALE)

ASHWORTH Richard (ECR)

SOUSA Alda (GUE/NGL)

PAKSAS Rolandas (EFD)

### Committee for opinion

**EMPL** Employment and Social Affairs

### Rapporteur for opinion

The committee decided not  
to give an opinion.

### Appointed

**REGI** Regional Development

The committee decided not  
to give an opinion.

Council of the  
European Union

### Council configuration

Agriculture and Fisheries



### Meetings

3308

### Date

2014-04-14

European Commission	Commission DG	Commissioner
	Budget	LEWANDOWSKI Janusz

Key events			
Date	Event	Reference	Summary
05/03/2014	Non-legislative basic document published	COM(2014)0119 	<a href="#">Summary</a>
31/03/2014	Vote in committee		
02/04/2014	Committee referral announced in Parliament		
02/04/2014	Budgetary report tabled for plenary	<a href="#">A7-0261/2014</a>	<a href="#">Summary</a>
14/04/2014	Draft budget approved by Council		
15/04/2014	Decision by Parliament	<a href="#">T7-0349/2014</a>	<a href="#">Summary</a>
15/04/2014	Results of vote in Parliament		
15/04/2014	End of procedure in Parliament		
07/05/2014	Final act published in Official Journal		

Technical information	
Procedure reference	2014/2025(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/7/15392

Documentation gateway				
European Parliament				
Document type	Committee	Reference	Date	Summary
Committee draft report		<a href="#">PE530.035</a>	10/03/2014	
Amendments tabled in committee		<a href="#">PE532.323</a>	24/03/2014	
Budgetary report tabled for plenary, 1st reading		<a href="#">A7-0261/2014</a>	02/04/2014	<a href="#">Summary</a>
Budgetary text adopted by Parliament		<a href="#">T7-0349/2014</a>	15/04/2014	<a href="#">Summary</a>
European Commission				
Document type		Reference	Date	Summary

Non-legislative basic document	COM(2014)0119 	05/03/2014	<a href="#">Summary</a>
--------------------------------	--	------------	-------------------------

Additional information		
Source	Document	Date
European Commission	<a href="#">EUR-Lex</a>	

Final act	
<a href="#">Decision 2014/0254</a> <a href="#">OJ L 134 07.05.2014, p. 0044</a>	<a href="#">Summary</a>

## Mobilisation of the European Globalisation Adjustment Fund: redundancies in electronic products manufacturing in Italy

2014/2025(BUD) - 05/03/2014 - Non-legislative basic document

**PURPOSE:** to mobilise the European Globalisation Adjustment Fund (EGF) to assist Italy regarding redundancies in the electronic products manufacturing sector.

**PROPOSED ACT:** Decision of the European Parliament and of the Council.

**CONTENT:** the EGF shall not exceed a maximum annual amount of **EUR 150 million** (2011 prices), as laid down in Article 12 of Council Regulation (EU, Euratom) No 1311/2013 laying down the multiannual financial framework for the years 2014-2020.

[Regulation \(EC\) No 1927/2006](#) established the European Globalisation Adjustment Fund (EGF) in order to provide additional support for workers made redundant as a result of major structural changes in world trade patterns due to globalisation and to assist them with their reintegration into the labour market.

The Commission examined the request to mobilise the EGF with a view to assisting Italy. The main elements of the assessment are as follows:

**Italy: EGF/2012/007 IT/VDC:** on 31 August 2012, Italy submitted application EGF/2012/007 IT/VDC Technologies for a financial contribution from the EGF, following redundancies in VDC Technologies SpA and one supplier in Italy. The application was supplemented by additional information up to 6 September 2013.

The enterprises concerned are VDC Technologies SpA and a supplier, Cervino Technologies Srl, which is a 100% subsidiary of VDC Technologies SpA. VDC Technologies SpA manufactured television sets and television monitors and displays as well as air-conditioning units. Cervino Technologies Srl manufactured plastic mouldings used in television sets and television monitors and displays.

In order to establish the link between the redundancies and major structural changes in world trade patterns due to globalisation, Italy argues that the sectors concerned in the EU have undergone serious economic disruption due to intensified competition from third countries, particularly China. Between 2008 and 2011, China's share of imports into the EU-27 of such products increased from 44.0 % to 52.2%. This change in world trade patterns can be considered to have had a significant impact on employment levels, as around 121 000 jobs have been lost in the sector of the manufacture of computer, electronic and optical products in the EU during the period 2008-2011, which represents a reduction by 7%.

Italy 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 1 164 redundancies in VDC Technologies from 26 February 2012 to 25 June 2012 and a further 54 redundancies outside the reference period, but related to the same collective redundancy procedure.

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 Italy, the proposed contribution from the EGF to the coordinated package of personalised services is **EUR 3 010 985**, representing 50% of the total cost.

FINANCIAL IMPLICATION: considering the maximum possible amount of a financial contribution from the EGF under Article 12 of Council Regulation (EU, Euratom) No 1311/2013, as well as the scope for reallocating appropriations, the Commission proposes to mobilise the EGF for the total amount of EUR 3 010 985.

The proposed decision to mobilise the EGF will be taken jointly by the European Parliament and the Council, as laid down in point 13 of the [Interinstitutional Agreement](#) of 2 December 2013 between the European Parliament, the Council and the Commission on budgetary discipline, on cooperation in budgetary matters and on sound financial management.

The Commission presents separately a transfer request in order to enter in the 2014 budget specific commitment appropriations.

Appropriations allocated to the EGF budget line in the 2014 budget will be used to cover the requested amount needed for the present application.

## Mobilisation of the European Globalisation Adjustment Fund: redundancies in electronic products manufacturing in Italy

2014/2025(BUD) - 15/04/2014 - Budgetary text adopted by Parliament

The European Parliament adopted by 592 votes to 72, with 9 abstentions, a resolution approving the proposal for a decision on the mobilisation of the European Globalisation Adjustment Fund (EGF) for the amount of **EUR 3 010 985** in commitment and payment appropriations to assist Italy regarding redundancies in the electronic products manufacturing 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 Italy submitted an application for a financial contribution from the EGF, following 1 164 redundancies in VDC Technologies SpA and one supplier with 1 146 workers targeted for EGF co-funded measures, during the reference period from 26 February 2012 to 25 June 2012, Parliament agreed with the Commission that the conditions set out in Article 2(a) of the EGF Regulation are met.

Therefore, **Italy is entitled to a financial contribution** under the EGF Regulation.

Parliament stated that the redundancies in VDC Technologies SpA and one supplier (manufacture of television sets, television monitors and displays as well as air-conditioning units) are linked to major structural changes in world trade patterns due to globalisation, referring to serious economic disruption for the sector of manufacture of electrical equipment due to intensified competition from third countries, particularly China.

Members recognised the need for drawing lessons from numerous EGF applications based on globalisation criterion in a given sector in view of **reforming the EU trade policy**, both in terms of liberalisation and trade defence instruments.

They welcomed the fact that, in order to provide workers with speedy assistance, the Italian authorities decided to initiate the implementation of the personalised services to the affected workers on 30 November 2012, nine months before the EGF application submission and well ahead of the final decision on granting the EGF support for the proposed coordinated package.

**Coordinated package of personalised services:** Parliament noted that the coordinated package of personalised services to be co-funded includes measures for the reintegration of 1 146 redundant workers into employment such as occupational guidance/ skills assessment, training, service to individuals, support to entrepreneurship, recruitment bonus, participation allowance. It regretted that the package does not contain any specific measures targeting older workers. It pointed to a relatively high level of recruitment incentive (EUR 6 000 per worker) but welcomed the fact that this measure is conditioned upon offering a permanent contract or a fixed-term contract of 24 months to workers.

Parliament welcomed the fact that the coordinated package of personalised services was consulted with the social partners and that a policy of equality of women and men as well as the principle non-discrimination will be applied during the various stages of the implementation of and in access to the EGF.

**New EGF:** Parliament welcomed the agreement reached between the European Parliament and the Council regarding the new EGF Regulation, for the period 2014-2020, to reintroduce the crisis mobilisation criterion, to increase Union financial contribution to 60% of the total estimated cost of proposed measures, to increase efficiency for the treatment of EGF applications in the Commission and by the European Parliament and the Council by shortening time for assessment and approval, to widen eligible actions and beneficiaries by introducing self-employed persons and young people and to finance incentives for setting up own businesses.

It stressed that, in accordance with Article 6 of the EGF Regulation, it shall be ensured that the EGF supports the reintegration of individual redundant workers into stable employment.

Lastly, Parliament reiterated its position according to which:

- 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 electronic products manufacturing in Italy

2014/2025(BUD) - 16/04/2014 - Final act

**PURPOSE:** to mobilise the European Globalisation Adjustment Fund (EGF) to assist Italy regarding redundancies in the electronic products manufacturing sector.

**NON-LEGISLATIVE ACT:** Decision of the European Parliament and of the Council on the mobilisation of the European Globalisation Adjustment Fund (EGF), in accordance with Point 13 of the Interinstitutional Agreement of 2 December 2013 between the European Parliament, the Council and the Commission on budgetary discipline, on cooperation in budgetary matters and on sound financial management (application EGF/2012/007 IT/VDC *Technologies* from Italy).

**CONTENT:** in the context of the European Union's 2014 budget, the sum of **EUR 3 010 985** in commitment and payment appropriations is mobilised under the Globalisation Adjustment Fund.

This Fund 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.

This sum is intended to assist Italy which following redundancies in the company VDC Technologies SpA and at a supplier.

The request is in line with Regulation (EC) No 1927/2006 which remains in force, despite its repeal, for all requests for aid submitted before 21.12.2013.

Council [Regulation \(EU, Euratom\) No 1311/2013](#) laying down the multiannual financial framework for the period 2014-2020 allows the EGF to mobilise funding up to an annual ceiling of **EUR 150 million**.

# Mobilisation of the European Globalisation Adjustment Fund: redundancies in electronic products manufacturing in Italy

2014/2025(BUD) - 02/04/2014 - Budgetary report tabled for plenary, 1st reading

The Committee on Budgets adopted the report by Frédéric DAERDEN (S&D, BE) on the proposal for a decision on the mobilisation of the European Globalisation Adjustment Fund (EGF) for the amount of EUR 3 010 985 in commitment and payment appropriations to assist Italy regarding redundancies in the electronic products manufacturing 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 Italy submitted an application for a financial contribution from the EGF, following 1 164 redundancies in VDC Technologies SpA and one supplier with 1 146 workers targeted for EGF co-funded measures, during the reference period from 26 February 2012 to 25 June 2012, Members agreed with the Commission that the conditions set out in Article 2(a) of the EGF Regulation are met.

Therefore, **Italy is entitled to a financial contribution** under the EGF Regulation.

Members stated that the redundancies in VDC Technologies SpA and one supplier (manufacture of television sets, television monitors and displays as well as air-conditioning units) are linked to major structural changes in world trade patterns due to globalisation, referring to serious economic disruption for the sector of manufacture of electrical equipment due to intensified competition from third countries, particularly China.

Members recognised the need for drawing lessons from numerous EGF applications based on globalisation criterion in a given sector in view of **reforming the EU trade policy**, both in terms of liberalisation and trade defence instruments.

They welcomed the fact that, in order to provide workers with speedy assistance, the Italian authorities decided to initiate the implementation of the personalised services to the affected workers on 30 November 2012, nine months before the EGF application submission and well ahead of the final decision on granting the EGF support for the proposed coordinated package.

**Coordinated package of personalised services:** Members noted that the coordinated package of personalised services to be co-funded includes measures for the reintegration of 1 146 redundant workers into employment such as occupational guidance/ skills assessment, training, service to individuals, support to entrepreneurship, recruitment bonus, participation allowance. They regretted that the package does not contain any specific measures targeting older workers. They pointed to a relatively high level of recruitment incentive (EUR 6 000 per worker) but welcomed the fact that this measure is conditioned upon offering a permanent contract or a fixed-term contract of 24 months to workers.

**New EGF:** Members welcomed the agreement reached between the European Parliament and the Council regarding the new EGF Regulation, for the period 2014-2020, to reintroduce the crisis mobilisation criterion, to increase Union financial contribution to 60% of the total estimated cost of proposed measures, to increase efficiency for the treatment of EGF applications in the Commission and by the European Parliament and the Council by shortening time for assessment and approval, to widen eligible actions and beneficiaries by introducing self-employed persons and young people and to finance incentives for setting up own businesses.

They stressed that, in accordance with Article 6 of the EGF Regulation, it shall be ensured that the EGF supports the reintegration of individual redundant workers into stable employment.

Lastly, Members reiterated their position according to which:

- 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.