Basic information

2014/2042(BUD) BUD - Budgetary procedure	Procedure completed
Mobilisation of the European Globalisation Adjustment Fund: redundancies in the food industry in Greece **Subject** 3.40.13 Food industry 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	KYRTSOS Georgios (PPE)	15/07/2014
	Shadow rapporteur GARDIAZABAL RUBIAL Eider (S&D) JÄÄTTEENMÄKI Anneli (ALDE) NÍ RIADA Liadh (GUE/NGL) ZANNI Marco (EFDD)	

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)	3333	2014-09-26

European Commission

Commission DG	Commissioner

Budget	LEWANDOWSKI Janusz

Key events

Date	Event	Reference	Summary
24/06/2014	Non-legislative basic document published	COM(2014)0376	Summary
03/07/2014	Committee referral announced in Parliament		
11/09/2014	Vote in committee		
12/09/2014	Budgetary report tabled for plenary	A8-0004/2014	Summary
17/09/2014	Decision by Parliament	T8-0017/2014	Summary
17/09/2014	Results of vote in Parliament		
26/09/2014	Draft budget approved by Council		
26/09/2014	End of procedure in Parliament		
08/10/2014	Final act published in Official Journal		

Technical information

Procedure reference	2014/2042(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/8/00648

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE536.166	15/07/2014	
Amendments tabled in committee		PE537.354	04/09/2014	
Budgetary report tabled for plenary, 1st reading		A8-0004/2014	12/09/2014	Summary
Budgetary text adopted by Parliament		T8-0017/2014	17/09/2014	Summary

European Commission

Document type	Reference	Date	Summary
Non-legislative basic document	COM(2014)0376	24/06/2014	Summary

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

Final act	
Decision 2014/0698 OJ L 292 08.10.2014, p. 0016	Summary

Mobilisation of the European Globalisation Adjustment Fund: redundancies in the food industry in Greece

2014/2042(BUD) - 17/09/2014 - Budgetary text adopted by Parliament

The European Parliament adopted by 624 votes to 69, with 11 abstentions, a resolution on the proposal for a decision of the European Parliament and of the Council on the mobilisation of the European Globalisation Adjustment Fund, providing **a total amount of EUR 6 096 000** in commitment and payment appropriations in order to assist Greece which is facing redundancies in the food industry.

The resolution recalled that the European Union has 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. Greece submitted its application for a financial contribution from the EGF, following redundancies in Nutriart S.A and 25 providers and downstream producers and 24 self-employed people whose activity ceased and was dependent on the primary enterprise in Greece with 508 workers targeted for EGF co-funded measures, during the reference period from 16 July 2013 to 16 November 2013. Parliament asked the institutions to speed up mobilisation of the Fund for the amount requested, agreeing with the Commission that the conditions set out in Article 4(1)(a) of the EGF Regulation are met and that, therefore, **Greece is entitled to a financial contribution under that Regulation.**

Redundancies: Parliament considered that the redundancies were linked to global financial and economic crisis, referring to the fact that the Greek economy has experienced a cumulative fall of 5% in its GDP since 2008 and despite the fact that it slowly emerges out of recession it is still unable to create new job opportunities and reduce the unemployment rate which is at a historical record of 26-27% of the working population. It noted that these events giving rise to the redundancies were related to: (i) the decrease of available household income that affected in a very negative way the consumption of a different range of products — (due to the increase in the tax burden, decreasing salaries of both private and public employees and rising unemployment) — resulting in a huge drop of purchasing power; (ii) the delayed payments by most of the Nutriart's clients; and (iii) the drastic reduction of loans to enterprises and individuals due to the effort of the Greek banking system to reduce its outstanding loans. Members stressed that the 508 redundancies will further aggravate the unemployment situation in Attica and Central Macedonia regions.

Parliament welcomed the fact that the Greek authorities decided to initiate the implementation of the personalised services to the affected workers on 30 April 2014.

Package of personalised services: it noted that that the coordinated package of personalised services to be co-funded includes measures for workers made redundant, self-employed persons whose activity has ceased and NEETs such as occupational guidance, training, retraining and vocational training, counselling services towards entrepreneurship, contribution to business start-up, job-search allowances and mobility allowances. Parliament welcomed the fact that for the first time self-employed persons are included in co-funding of the EGF.

It stressed that the Greek authorities confirm that the eligible actions do not receive assistance from other Union financial instruments. It reiterated its call to the Commission that no duplication of Union-funded services should occur.

Targeted workers: Parliament welcomed the fact that, in addition to 508 redundant workers, the Greek authorities will provide personalised services co-financed by the EGF to up to 505 young people not in employment, education or training (NEETs) under the age of 30 which brings the total number of targeted beneficiaries to participate in the measures to 1 013. It noted that the maximum eligible amount of EUR 15 000 will be granted to 150 selected workers and NEETs as a contribution to setting up their own businesses.

New EGF: Parliament appreciated the improved procedure put in place by the Commission, following Parliament's request for the accelerated release of grants. It noted that the Commission finalised the assessment of the application's compliance with the conditions for providing a financial contribution within 12 weeks of the receipt of the complete application.

It stressed that, in accordance with the EGF Regulation, the assistance provided should not replace actions, which were the responsibility of companies by virtue of national law or collective agreements.

Parliament also welcomed the adoption of the new EGF Regulation which reflected the agreement reached between the Parliament and the Council to:

- reintroduce the crisis mobilisation criterion;
- **increase Union financial contribution to 60% of the total estimated cost of proposed measures;**
- increase efficiency for the treatment of EGF applications in the Commission and by the Parliament and the Council by shortening time for assessment and approval;
- widen eligible actions and beneficiaries by introducing self-employed persons and young people and
- finance incentives for setting up own businesses.

Mobilisation of the European Globalisation Adjustment Fund: redundancies in the food industry in Greece

2014/2042(BUD) - 25/09/2014 - Final act

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

NON-LEGISLATIVE ACT: Decision 2014/698/EU of the European Parliament and of the Council on the mobilisation of the European Globalisation Adjustment Fund, 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/2014/001 EL /Nutriart* from Greece).

CONTENT: with this Decision, the European Parliament and the Council have decided to mobilise the EGF for an amount of **EUR 6 096 000** in commitment and payment appropriations in the framework of the 2014 general budget of the European Union.

This amount shall assist Greece following redundancies in the enterprise Nutriart S.A and 25 providers and downstream producers: AR.ZIGAS & SIA as well 24 self-employed people.

Given that this application complies with the requirements for determining the financial contributions as laid down in Regulation (EU) No 1309/2013 (MFF Regulation 2014-2020), the European Parliament and Council have decided to grant the abovementioned amount.

Furthermore, Greece has decided to provide personalised services co-financed by the EGF also to young people not in employment, education or training (NEETs), as is authorised by the EGF Regulation 2014-2020.

To recall, the EGF was established to provide support for workers made redundant and self-employed persons whose activity has ceased as a result of major structural changes in world trade patterns due to globalisation, as a result of a continuation of the global financial and economic crisis addressed in Regulation (EC) No 546/2009, or as a result of a new global financial and economic crisis and to assist them with their reintegration into the labour market.

Regulation (EU, Euratom) No 1311/2013 laying down the multiannual financial framework for the years 2014-2020 provides that the EGF shall not exceed a maximum annual amount of **EUR 150 million**.

Mobilisation of the European Globalisation Adjustment Fund: redundancies in the food industry in Greece

2014/2042(BUD) - 24/06/2014 - Non-legislative basic document

PURPOSE: to mobilise the European Globalisation Adjustment Fund (EGF) to assist Greece following redundancies in the food industry.

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

CONTENT: Article 12 of Council Regulation (EU, Euratom) No 1311/2013 laying down the multiannual financial framework for the years 2014-2020 allows for the mobilisation of the European Globalisation Adjustment Fund (EGF) within the annual ceiling of **EUR 150 million** (2011 prices) over and above the relevant headings of the financial framework.

The rules applicable to financial contributions from the European Globalisation Adjustment Fund (EGF) are laid down in Regulation (EU) No 1309/2013 of the European Parliament and of the Council of 17 December 2013 on the European Globalisation Adjustment Fund (2014-2020) and repealing Regulation (EC) No 1927/2006.

In this context, the Commission examined the request for mobilisation of the EGF with a view to assisting Greece and stated that:

Greece: EGF/2014/001 EL/Nutriart: the Greek authorities submitted application EGF/2014/001 EL/Nutriart on 5 February 2014, within **12 weeks** of the date on which the intervention criteria set out in Regulation were met. The deadline of 12 weeks of the receipt of the complete application within which the Commission should complete its assessment of the application's compliance with the conditions for providing a financial contribution expires on 25 June 2014.

In order to establish the link between the redundancies and cessations of activity and the global financial and economic crisis addressed in Regulation (EC) No 546/2009, Greece argues that the Greek economy is for the sixth consecutive year (2008-2013) in deep recession. According to ELSTAT, the Greek Statistical Authority, since 2008 the Greek GDP has decreased by 25%, public consumption by 21% and private consumption by 32.3% whilst unemployment increased by 20.6%.

Moreover, the decline in GDP has widened the gap between the Greek per capita GDP and the per capita GDP of the EU, cancelling the progress towards economic convergence made by Greece in the 1995-2007 period.

Background to request from Greece: the Greek authorities submitted the application under the intervention criterion of Article 4(1)(a) of the EGF Regulation, which requires at least 500 workers being made redundant or self-employed persons' activity ceasing, over a reference period of four months, in an enterprise in a Member State, including workers made redundant or self-employed persons' activity ceasing in its suppliers and downstream producers.

The reference period of four months is from 16 July 2013 to 16 November 2013.

The application relates to 508 workers made redundant in Nutriart S.A. ('the primary enterprise') and 25 providers and downstream producers: AR. ZIGAS & SIA and 24 self-employed people whose activity ceased and was dependent on the primary enterprise. The primary enterprise operated in the economic sector classified under NACE Rev. 24 division 10 'Manufacture of food products'. The enterprises concerned are located in the NUTS5 level 2 regions of Central Macedonia (EL12) and Attica (EL30).

On the basis of the application from Greece, the proposed contribution from the EGF to the coordinated package of personalised services is **EUR 6 096 000**.

BUDGETARY IMPLICATION: having examined the application in respect of the conditions set out in Article 13(1) of the EGF Regulation, and having taken into account the number of targeted beneficiaries, the proposed actions and the estimated costs, the Commission proposes to mobilise the EGF for the amount of **EUR 6 096 000**, representing 60 % of the total costs of the proposed actions, in order to provide a financial contribution for the application.

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.

At the same time as it presents this proposal for a decision to mobilise the EGF, the Commission will present to the European Parliament and to the Council a proposal for a transfer to the relevant budgetary line for the amount of EUR 6 096 000.

It will also adopt a decision on a financial contribution, by means of an implementing act, which will enter into force on the date at which the European Parliament and the Council adopt the proposed decision to mobilise the EGF.

Mobilisation of the European Globalisation Adjustment Fund: redundancies in the food industry in Greece

2014/2042(BUD) - 12/09/2014 - Budgetary report tabled for plenary, 1st reading

The Committee on Budgets adopted the report by Georgios KYRTSOS (EPP, EL) on the proposal for a decision of the European Parliament and of the Council on the mobilisation of the European Globalisation Adjustment Fund, providing **a total amount of EUR 6 096 000** in commitment and payment appropriations in order to assist Greece which is facing redundancies in the food industry.

Members recalled that the European Union has 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. Greece submitted its application for a financial contribution from the EGF, following redundancies in Nutriart S.A and 25 providers and downstream producers and 24 self-employed people whose activity ceased and was dependent on the primary enterprise in Greece with 508 workers targeted for EGF co-funded measures, during the reference period from 16 July 2013 to 16 November 2013. Members asked the institutions to speed up mobilisation of the Fund for the amount requested, agreeing with the Commission that the conditions set out in Article 4(1)(a) of the EGF Regulation are met and that, therefore, **Greece is entitled to a financial contribution under that Regulation.**

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Members stressed that the Greek authorities confirm that the eligible actions do not receive assistance from other Union financial instruments. They reiterated their call to the Commission that no duplication of Union-funded services should occur.

New EGF: the committee appreciated the improved procedure put in place by the Commission, following Parliament's request for the accelerated release of grants. It noted that the Commission finalised the assessment of the application's compliance with the conditions for providing a financial contribution within 12 weeks of the receipt of the complete application.

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- finance incentives for setting up own businesses.