Basic information

2014/2065(BUD) BUD - Budgetary procedure	Procedure completed
Mobilisation of the European Globalisation Adjustment Fund: redundancies in the automotive industry in Belgium **Subject** 3.40.03 Motor industry, cycle and motorcycle, commercial and agricultural vehicles 4.15.05 Industrial restructuring, job losses, redundancies, relocations, Globalisation Adjustment Fund (EGF) 8.70.60 Previous annual budgets	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
BUDG Budgets	RÜBIG Paul (PPE)	25/08/2014
	Shadow rapporteur NEGRESCU Victor (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
Employment, Social Policy, Health and Consumer Affairs	3339	2014-10-16

European Commission

Commission DG	Commissioner
Budget	DOMINIK Jacek

Key events

Date	Event	Reference	Summary
22/08/2014	Non-legislative basic document published	COM(2014)0532	Summary
15/09/2014	Committee referral announced in Parliament		
07/10/2014	Vote in committee		
09/10/2014	Budgetary report tabled for plenary	A8-0015/2014	Summary
16/10/2014	Draft budget approved by Council		
21/10/2014	Decision by Parliament	T8-0031/2014	Summary
21/10/2014	Results of vote in Parliament		
21/10/2014	End of procedure in Parliament		
20/11/2014	Final act published in Official Journal		

Technical information

Procedure reference	2014/2065(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/8/01019

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE537.329	04/09/2014	
Amendments tabled in committee		PE539.608	02/10/2014	
Budgetary report tabled for plenary, 1st reading		A8-0015/2014	09/10/2014	Summary
Budgetary text adopted by Parliament		T8-0031/2014	21/10/2014	Summary

European Commission

Document type	Reference	Date	Summary
Non-legislative basic document	COM(2014)0532	22/08/2014	Summary

Additional information

Source	Document	Date
European Commission	EUR-Lex	

Final act	
Decision 2014/0813 OJ L 333 20.11.2014, p. 0013	Summary

Mobilisation of the European Globalisation Adjustment Fund: redundancies in the automotive industry in Belgium

2014/2065(BUD) - 21/10/2014 - Budgetary text adopted by Parliament

The European Parliament adopted by 593 votes to 84, with 10 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, to the amount of **EUR 570 945** in commitment and payment appropriations in order to assist Belgium following redundancies in the automotive industry.

Parliament recalled that the 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.

Application from Belgium: Belgium submitted application EGF/2013/012 BE/Ford Genk for a financial contribution from the EGF, following 512 redundancies, with 479 persons expected to participate in the measures, in the assembly plant of Ford-Werke GmbH1 located in Genk ('Ford Genk') and in 10 suppliers of Ford Genk in Belgium during the reference period from 1 July 2013 to 1 November 2013. Parliament asked the institutions to speed up mobilisation of the Fund for the amount requested.

Admissibility of the application: Parliament noted that the conditions set out in Article 2(a) of the EGF Regulation are partially met as regards the minimum number of redundancies during the reference period as there are **less than 500 redundancies**. It considered that an application for a contribution from the EGF may be considered admissible when redundancies have a **serious impact** on employment and the local economy. It also took into account two other waves of redundancies, that are expected to occur in 2014 (approximately 4340 redundancies at Ford Genk and 2820 redundancies at its suppliers located in the same geographical area) and recalled that implementation of specific measures in favour of first group of redundant workers as rapidly as possible increases the possibilities for them to find new employment. In this respect, Parliament agreed with the Commission that **Belgium is entitled to a financial contribution under the EGF Regulation**.

Parliament also noted that the Belgian authorities submitted the application for EGF financial contribution on 23 December 2013 and that its assessment was made available by the Commission on 22 August 2014. It welcomed the prompt assessment within less than 8 months.

Parliament noted that the automotive industry has been the subject of 17 decisions on the mobilisation of the EGF since the start of the Fund in 2007 and called for an **assessment of the effects of the EGF interventions specifically linked the redundancies in the automotive sector** on the basis of these applications.

It welcomed the fact that, in order to provide workers with speedy assistance, the Belgian authorities decided to initiate the implementation of the personalised services to the affected workers on 1 July 2013, well ahead of the final decision on granting the EGF support for the proposed coordinated package.

Intervention of the social partners: Parliament welcomed the fact that in order to address the issue, the Flemish Government established a specific taskforce bringing together all relevant stakeholders, with the Commission's services associated in its work. It also welcomed the fact that the social partners represented in the Socioeconomic Council of the Limburg Region (SERR Limburg) were not only consulted, but also participated in a Monitoring Committee specifically set up for the EGF application. This EGF application has been discussed with the social partners as part of the regular reporting on the implementation of the Limburg Strategic Action Plan which was set up to address the regional impact of the closure of Ford Genk.

Coordinated package of personalised services: Parliament stated that the coordinated package of personalised services to be co-funded includes the following measures for the reintegration of 479 redundant workers into employment (grouped by category): (1) job-search assistance (key account manager, social intervention advisor, information on vocational education and training options, active job-oriented guidance), and (2) training and re-training (vocational training course, employment trough individual vocational training, application training). 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 and expected 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**.

In parallel, Parliament noted that the information provided on the coordinated package of personalised services to be funded from the EGF includes information on complementarity with actions funded by the Structural Funds. It stressed that Belgian authorities confirm that the eligible actions do not receive assistance from other Union financial instruments. At the same time, Parliament reiterated its call to the Commission to present a comparative evaluation of those data in its annual reports in order to ensure full respect of the existing regulations and that no duplication of Union funded services can occur.

New EGF: Parliament 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 European Parliament and the Council the Commission's assessment on the eligibility of an EGF application together with the proposal to mobilise the EGF. It underlined that further improvements in the procedure have been integrated in Regulation (EU) No 1309/2013 and that greater efficiency, transparency and visibility of the EGF will be achieved.

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 welcomed the adoption of EGF Regulation which reflects the agreement reached between the European Parliament and the Council 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.

Mobilisation of the European Globalisation Adjustment Fund: redundancies in the automotive industry in Belgium

2014/2065(BUD) - 22/08/2014 - Non-legislative basic document

PURPOSE: to mobilise the European Globalisation Adjustment Fund (EGF) to assist Belgium following redundancies in the automotive 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 the contributions from the EGF for applications submitted until **31 December 2013** are laid down in Regulation (EC) No 1927/2006 of the European Parliament and of the Council on establishing the EGF.

To recall, this Fund was established 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.

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

Belgium: EGF/2013/012 BE/Ford Genk: on 23 December 2013, Belgium submitted application EGF/2013/012 BE/Ford Genk for a financial contribution from the EGF, following redundancies in the assembly plant of Ford-Werke GmbH located in Genk ('Ford Genk') and in 10 suppliers of Ford Genk in Belgium. The application was supplemented by additional information up to 12 June 2014.

In order to establish the link between the redundancies and major structural changes in world trade patterns due to globalisation, the Belgian authorities argue that the sector of the production of passenger cars, in which Ford Genk is active, has undergone serious economic disruption, in particular a rapid decline of the EU's market share.

According to data referred to by the Belgian authorities, between 2007 and 2012, the production of passenger cars in the EU-27 decreased from 17.10 million units to 14.61 million units (− 14.6 %; − 3.1 % annual growth), whereas, during the same period, at worldwide level, the production of passenger cars increased from 53.05 million units to 63.07 million units (+ 18.9 %; + 3.5 % annual growth). This has led to a decrease of the EU-27's market share in the production of passenger cars at worldwide level, measured in volume terms, from 32.2 % to 23.2 %.

These data therefore show a rapid decline of the EU's market share in the sector of the production of passenger cars at worldwide level.

Background to the request from Belgium: the application therefore partly meets the intervention criteria laid down in Article 2(a) of the EGF Regulation, as it relates to redundancies over a period of four

months in an enterprise in a Member State, but it derogates from these criteria as regards the minimum number of redundancies during the reference period as there are less than 500 redundancies.

The Belgian authorities argue that **exceptional circumstances** are applicable because, although, for this first wave of redundancies, the number of redundancies during the reference period is below the threshold of 500 redundancies, two other waves of redundancies are expected to occur in 2014 (approximately 650 redundancies at Ford Genk and its suppliers) and at the closure of the plant at the end of 2014 (approximately 4 000 redundancies at Ford Genk and its suppliers), for which the Belgian authorities may submit EGF applications. As regards this first wave of redundancies, even though the threshold of 500 redundancies is not met, the Belgian authorities have wished to implement specific measures in favour of this first group of redundant workers as rapidly as possible, so as to increase the possibilities for them to find new employment and to give all redundant workers the

same opportunity. In total, the number of direct redundancies expected to be caused by the closure of Ford Genk is very high (approximately 4 340 redundancies at Ford Genk and 2 820 redundancies at its suppliers located in the same geographical area).

These redundancies will have a serious impact on employment and the local economy.

On the basis of the application from Belgium, the proposed contribution from the EGF to the coordinated package of personalised services is **EUR 570 945**, representing 50% of the total cost.

BUDGETARY IMPLICATION: considering the maximum possible amount of a financial contribution from the EGF, laid down by Article 12 of Council Regulation (EU, Euratom) No 1311/2013, and the scope for reallocating appropriations, the Commission proposes to mobilise the EGF for the total amount of the requested contribution of **EUR 570 945**.

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, as required under point 13 of the Interinstitutional Agreement of 2 December 2013.

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

Mobilisation of the European Globalisation Adjustment Fund: redundancies in the automotive industry in Belgium

2014/2065(BUD) - 22/10/2014 - Final act

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

NON-LEGISLATIVE ACT: Decision 2014/813/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/2013/012 BE /Ford Genk* from Belgium).

CONTENT: with this Decision, the European Parliament and the Council have decided to mobilise the EGF for an amount of **EUR 570 945** in commitment and payment appropriations in the framework of the 2014 general budget of the European Union.

This amount shall assist Belgium following redundancies in the enterprise Ford-Werke GmbH and 10 suppliers.

Given that this application complies with the requirements for determining the financial contributions as laid down in Regulation (EC) No 1927/2006 (EGF Regulation), the European Parliament and Council have decided to grant the abovementioned amount.

To recall, the EGF was established 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.

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 automotive industry in Belgium

2014/2065(BUD) - 09/10/2014 - Budgetary report tabled for plenary, 1st reading

The Committee on Budgets adopted the report by Paul RÜBIG (EPP, AT) on the proposal for a decision of the European Parliament and of the Council on the mobilisation of the European Globalisation Adjustment Fund, to the amount of **EUR 570 945** in commitment and payment appropriations in order to assist Belgium following redundancies in the automotive industry.

Members recalled that the 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.

Belgium submitted application EGF/2013/012 BE/Ford Genk for a financial contribution from the EGF, following 512 redundancies, with 479 persons expected to participate in the measures, in the assembly plant of Ford-Werke GmbH1 located in Genk ('Ford Genk') and in 10 suppliers of Ford Genk in Belgium during the reference period from 1 July 2013 to 1 November 2013. Members asked the institutions to speed up mobilisation of the Fund for the amount requested.

Admissibility of the application: Members noted that the conditions set out in Article 2(a) of the EGF Regulation are partially met as regards the minimum number of redundancies during the reference period as there are **less than 500 redundancies**. They considered that an application for a contribution from the EGF may be considered admissible when redundancies have a **serious impact** on employment and the local economy. They also

took into account two other waves of redundancies, that are expected to occur in 2014 (approximately 4340 redundancies at Ford Genk and 2820 redundancies at its suppliers located in the same geographical area) and recalled that implementation of specific measures in favour of first group of redundant workers as rapidly as possible increases the possibilities for them to find new employment. In this respect, Members agreed with the Commission that **Belgium is entitled to a financial contribution under the EGF Regulation**.

Members also noted that the Belgian authorities submitted the application for EGF financial contribution on 23 December 2013 and that its assessment was made available by the Commission on 22 August 2014. They welcomed the prompt assessment within less than 8 months.

Members noted that the automotive industry has been the subject of 17 decisions on the mobilisation of the EGF since the start of the Fund in 2007 and called for an **assessment of the effects of the EGF interventions specifically linked the redundancies in the automotive sector** on the basis of these applications.

They welcomed the fact that, in order to provide workers with speedy assistance, the Belgian authorities decided to initiate the implementation of the personalised services to the affected workers on 1 July 2013, well ahead of the final decision on granting the EGF support for the proposed coordinated package.

Coordinated package of personalised services: Members stated that the coordinated to be co-funded includes following measures for the reintegration of 479 redundant workers into employment (grouped by category): (1) job-search assistance (key account manager, social intervention advisor, information on vocational education and training options, active job-oriented guidance), and (2) training and re-training (vocational training course, employment trough individual vocational training, application training). 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 and expected 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**.

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