Basic information

2014/2071(BUD) BUD - Budgetary procedure	Procedure completed
Mobilisation of the European Globalisation Adjustment Fund: redundancies in the steel sector in Belgium **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** Belgium	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
BUDG Budgets	SARVAMAA Petri (PPE)	24/09/2014
	Shadow rapporteur GEIER Jens (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
General Affairs	3341	2014-10-21

European Commission

Commission DG	Commissioner
Budget	DOMINIK Jacek

Key events

Date	Event	Reference	Summary
05/09/2014	Non-legislative basic document published	COM(2014)0553	Summary
15/09/2014	Committee referral announced in Parliament		
13/10/2014	Vote in committee		
14/10/2014	Budgetary report tabled for plenary	A8-0017/2014	Summary
21/10/2014	Decision by Parliament	T8-0032/2014	Summary
21/10/2014	Results of vote in Parliament		
21/10/2014	Draft budget approved by Council		
21/10/2014	End of procedure in Parliament		
20/11/2014	Final act published in Official Journal		

Technical information

Procedure reference	2014/2071(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/8/01077

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE539.586	01/10/2014	
Amendments tabled in committee		PE539.667	08/10/2014	
Budgetary report tabled for plenary, 1st reading		A8-0017/2014	14/10/2014	Summary
Budgetary text adopted by Parliament		T8-0032/2014	21/10/2014	Summary

European Commission

Document type	Reference	Date	Summary
Non-legislative basic document	COM(2014)0553	05/09/2014	Summary

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

Final act	
Decision 2014/0811 OJ L 333 20.11.2014, p. 0009	Summary

Mobilisation of the European Globalisation Adjustment Fund: redundancies in the steel sector in Belgium

2014/2071(BUD) - 21/10/2014 - Budgetary text adopted by Parliament

The European Parliament adopted by 595 votes to 84, with 9 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 911 934** in commitment and payment appropriations in order to assist Belgium following redundancies in the steel 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/2013/02 BE/Carsid for a financial contribution from the EGF, following 939 redundancies, with 752 persons expected to participate in the measures, linked to the closure of the production plant of Carsid SA ('Carsid') located in Marcinelle near Charleroi in Belgium during the reference period from 28 September 2012 to 28 January 2013. Parliament therefore 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 2(a) of the EGF Regulation are met. In this respect, **Belgium is entitled to a financial contribution under the EGF Regulation**.

Parliament also 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 October 2012, well ahead of the final decision on granting the EGF support for the proposed coordinated package.

It regretted however the length of assessment period of this application by the Commission. It considered that these delays should disappear with the implementation of the new EGF.

Nature of the redundancies: Parliament recalled that the redundancies in the production plant of Carsid are linked to major structural changes in world trade patterns due to globalisation and a rapid decline in the Union's market share in the sector of the production of continuously-cast crude steel (which includes billets, blooms and slabs) at worldwide level and a consistent decline in the production of cast crude steel in the Union. It noted that the redundancies at Carsid are expected to significantly worsen unemployment in the Charleroi area which is characterised by a high proportion of long-term unemployment and low qualification and skills levels.

Parliament also welcomed the fact that various social partners and organisations were involved in the general coordination and implementation of the measures: trade unions (FGTB, CSC), FOREM (the public employment and training service of the Walloon Region), and other local institutions with the aim of facilitating the reconversion measures.

Coordinated package of personalised services: Parliament stated that the coordinated package of personalised services to be co-funded includes following measures for the reintegration of 752 redundant workers into employment (grouped by category): (1) individual job-search assistance, case management and general information services and (2) training and retraining. 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.

It also 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. Parliament stressed that Belgian authorities confirm that the eligible actions do not receive assistance from other Union financial instruments. At the same time, it 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 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 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. 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 steel sector in Belgium

2014/2071(BUD) - 22/10/2014 - Final act

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

NON-LEGISLATIVE ACT: Decision 2014/811/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/2013/002 BE /Carsid* from Belgium).

CONTENT: with this Decision, the European Parliament and the Council have decided to mobilise the EGF for an amount of **EUR 911 934** 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 Carsid SA*.

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 steel sector in Belgium

2014/2071(BUD) - 14/10/2014 - Budgetary report tabled for plenary, 1st reading

The Committee on Budgets adopted the report by Petri SARVAMAA (EPP, FI) 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 911 934** in commitment and payment appropriations in order to assist Belgium following redundancies in the steel 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/2013/02 BE/Carsid for a financial contribution from the EGF, following 939 redundancies, with 752 persons expected to participate in the measures, linked to the closure of the production plant of Carsid SA (‘Carsid’) located in Marcinelle near Charleroi in Belgium during the reference period from 28 September 2012 to 28 January 2013. Members therefore 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 2(a) of the EGF Regulation are met.

In this respect, Members agreed with the Commission that **Belgium is entitled to a financial contribution under the EGF Regulation**.

Members also welcomed that the Commission made a prompt assessment within less than 5 months.

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 October 2012, 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 package of personalised services to be co-funded includes following measures for the reintegration of 752 redundant workers into employment (grouped by category): (1) individual job-search assistance, case management and general information services and (2) training and retraining. 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.

Members also 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. They stressed that Belgian authorities confirm that the eligible actions do not receive assistance from other Union financial instruments. At the same time, Members reiterated their 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: 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 European Parliament and the Council the Commission's assessment on the eligibility of an EGF application together with the proposal to mobilise the EGF.

They 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.

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 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.

Mobilisation of the European Globalisation Adjustment Fund: redundancies in the steel sector in Belgium

2014/2071(BUD) - 05/09/2014 - Non-legislative basic document

PURPOSE: to mobilise the European Globalisation Adjustment Fund (EGF) to assist Belgium following redundancies in the steel sector.

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) 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, 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.

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

Belgium: EGF/2013/002 BE/Carsid: on 2 April 2013, Belgium submitted application EGF/2013/002 BE/Carsid for a financial contribution from the EGF, following redundancies linked to the closure of the production plant of Carsid SA ('Carsid') located in Marcinelle near Charleroi. The application was supplemented by additional information up to 4 July 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 continuously-cast crude steel (which includes billets, blooms and slabs), in which Carsid operated, has undergone serious economic disruption, in particular a rapid decline of the EU's market share.

Between 2006 and 2011, the production of continuously-cast crude steel in the EU-27 decreased from 197.1 million tonnes to 170.8 million tonnes (− 13.4 %; − 2.8 % annual growth), whereas, at worldwide level, production increased from 1 149.6 million tonnes to 1 438.3 million tonnes (+ 25.1 %; + 4.6 % annual growth).

This has led to a decrease of the EU-27's market share in the production of continuously-cast crude steel. By comparison, during the same period, China's market share increased from 35.5 % to 46.8 % (+ 32.0 %; + 5.7 % annual growth), whereas the market shares of the five other largest producers (which account together for around 25 % to 30 % of worldwide production) either decreased, although to a lesser extent than for the EU-27 (Japan, USA, Russia), or increased moderately (South Korea, India). These data therefore show a **rapid decline of the EU's market share** in the sector of the production of continuously-cast crude steel at worldwide level.

The effects of these changes in trade patterns have been worsened by other factors such as a decrease in demand in steel in the automotive and construction sectors in the EU as a consequence of the economic crisis and a relative increase of production costs (raw materials, energy, environmental constraints, etc.). These factors have harmed the competiveness of the EU's steel industry and have led to a high number of job losses in the steel sector in recent years due to plant closures and restructuring by several steel manufacturers in Europe. For instance, between 2008 and 2013, the number of persons employed in the metallurgic industry (NACE Rev. 2 division 24 'Manufacture of basic metals') in the EU-27 decreased by around 280 000 from 1.44 million to 1.16 million (− 19.4 %).

Background to the Belgian application: the application is based on the intervention criteria of Article 2(a) of the EGF Regulation, which requires at least 500 redundancies over a period of four months in an enterprise in a Member State. The application relates to 939 redundancies made during a period

of four months from 28 September 2012 to 28 January 2013. All the redundancies have been calculated from the date of the employer's individual notice to lay off or to terminate the contract of employment of the worker, as laid down in the first indent of the second paragraph of Article 2 of the EGF Regulation ('method 1').

Having examined this application, the Commission has concluded, in accordance with the applicable provisions of the EGF Regulation, that the conditions for a financial contribution from the EGF are met.

On the basis of the application from Belgium, the proposed contribution from the EGF to the coordinated package of personalised services is **EUR 911 934**.

Financial implications: considering the maximum possible amount of a financial contribution from the EGF and the scope for reallocating appropriations, the Commission proposes to mobilise the EGF for the total amount of the requested contribution (EUR 911 934), which represents 50% of the total costs of the proposed measures.

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 under the Belgian application.