Basic information

2014/2076(BUD) BUD - Budgetary procedure	Procedure completed
Mobilisation of the European Globalisation Adjustment Fund: redundancies in the automotive sector in France **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 **Geographical area** France	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
BUDG Budgets	THOMAS Isabelle (S&D)	24/09/2014

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
11/09/2014	Non-legislative basic document published	COM(2014)0560	Summary

18/09/2014	Committee referral announced in Parliament		
13/10/2014	Vote in committee		
14/10/2014	Budgetary report tabled for plenary	A8-0016/2014	
21/10/2014	Decision by Parliament	T8-0033/2014	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	2014/2076(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/8/01133

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE539.592	01/10/2014	
Amendments tabled in committee		PE539.671	08/10/2014	
Budgetary report tabled for plenary, 1st reading		A8-0016/2014	14/10/2014	
Budgetary text adopted by Parliament		T8-0033/2014	21/10/2014	Summary

European Commission

Document type	Reference	Date	Summary
Non-legislative basic document	COM(2014)0560 	11/09/2014	Summary

Additional information

Source	Document	Date
European Commission	EUR-Lex	

Final act

Decision 2014/0817
OJ L 333 20.11.2014, p. 0021 Summary

Mobilisation of the European Globalisation Adjustment Fund: redundancies in the automotive sector in France

2014/2076(BUD) - 21/10/2014 - Budgetary text adopted by Parliament

The European Parliament adopted by 579 votes to 81, 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 12 704 605** in commitment and payment appropriations in order to assist France following redundancies in the automotive sector.

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 France: France submitted application EGF/2014/006 FR/PSA for a financial contribution from the EGF, following 6 120 redundancies in Peugeot Citroën Automobiles ('PSA') operating in the NACE Rev. 2 division 29 ('Manufacture of motor vehicles, trailers and semi-trailers') with redundancies mainly located in the regions of Ile de France (the Aulnay plant) and Bretagne (the Rennes plant), with 2 357 workers targeted for EGF co-funded measures, during the reference period from 1 October 2013 to 31 January 2014.

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 4(1) (a) of the EGF Regulation are met. In this respect, **France is entitled to a financial contribution under the EGF Regulation**.

Parliament welcomed the fact that, in order to provide workers with speedy assistance, the French authorities decided to initiate the implementation of the personalised services to the affected workers on 3 June 2013, well ahead of the final decision on granting the EGF support for the proposed coordinated package.

Parliament noted that the French authorities submitted the application for EGF financial contribution on 25 April 2014, and that its assessment was made available by the Commission on 10 September 2014. It welcomed the speedy evaluation of less than five months.

Nature of the redundancies: Parliament stressed that 6 120 redundancies will further aggravate the unemployment situation in the regions of Ile de France and Bretagne, where two of the affected plants are located since the Aulnay plant was the 8th largest employer in the city of Aulnay, and the redundancies reduce the numbers employed in the area by 13.6%. It also noted that, to date, the automotive sector has been the subject of 21 EGF applications, 12 of which were based on trade related globalisation and 9 on the global financial and economic crisis. It deemed it necessary that particular attention be devoted to this sector in the biennial report due in August 2015.

It noted that this is the **third application related to the French car industry** above EUR 10 million. It stressed the importance of well anticipated adjustments and good identification of skills, offering the possibility of reorientation by putting the competences of workers to the benefit of other sectors.

Coordinated package of personalised services: Parliament stated that the coordinated package of personalised services to be co-funded includes measures for workers made redundant such as reception centre and casework, external experts guidance, thematic workshops, training, training allowances, grants for business creation. It 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 also stressed that the French authorities confirm that the eligible actions do not receive assistance from other Union financial instruments.

It welcomed the estimated high number of the participants to receive grants for business creation; notes that the amount of these grants remains under the cap of EUR 15 000, as set out in the EGF Regulation. It called for the timely assessment of this specific action in order to evaluate the results of such incentives, possibly in the next biennial report or at the latest in the final report.

New EGF: Parliament recalled that, in line with Article 7 of the EGF Regulation, the design of the coordinated package of personalised services should anticipate future labour market perspectives and required skills and should be compatible with the shift towards a resource-efficient and sustainable economy.

Lastly, it stressed that, in accordance with Article 9 of the EGF Regulation, it shall be ensured that the EGF assistance is limited to what is necessary to provide solidarity and temporary one-off support for targeted beneficiaries, and will not furthermore replace actions which are the responsibility of companies by virtue of national law or collective agreements.

Mobilisation of the European Globalisation Adjustment Fund: redundancies in the automotive sector in France

2014/2076(BUD) - 22/10/2014 - Final act

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

NON-LEGISLATIVE ACT: Decision 2014/817/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/2014/006 FR /PSA* from France).

CONTENT: with this Decision, the European Parliament and the Council have decided to mobilise the EGF for an amount of **EUR 12 704 605** in commitment and payment appropriations in the framework of the 2014 general budget of the European Union.

This amount shall assist France following redundancies in Peugeot Citroën Automobiles.

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.

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 automotive sector in France

2014/2076(BUD) - 11/09/2014 - Non-legislative basic document

PURPOSE: to mobilise the European Globalisation Adjustment Fund (EGF) to assist France which is dealing with redundancies in its car 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 provides that the EGF shall not exceed a maximum annual amount of **EUR 150 million** (2011 prices).

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 on the European Globalisation Adjustment Fund (2014-2020) and repealing Regulation (EC) No 1927 /2006 (the 'EGF Regulation').

The Commission examined the application for mobilisation of the EGF to assist France and concluded the following :

France: EGF/2014/006 FR/PSA: the French authorities submitted application EGF/2014/006 FR/PSA for a financial contribution from the EGF, following redundancies in Peugeot Citroën Automobiles ('PSA') in France. They submitted the application within **12 weeks** of the date on which the intervention criteria were met, which expired on 11 September 2014.

In order to establish the link between the redundancies and major structural changes in world trade patterns due to globalisation, France argued that between the years 2000 and 2012, world production of vehicles grew by 25 million units or 44 %. Despite the effects of the global financial and economic crisis, production growth at global level continued (and still continues) at above 3 % per annum.

Within this continued growth, production in the USA declined by 11 %, that in Western Europe by 25 % and that in Japan by 2 %. At the same time, production in South Korea, China, Turkey, Indonesia, Iran, Malaysia, Thailand and South America grew significantly and now constitutes 47 % of world vehicle production (up from 15 % in 2000).

France stresses that, on the demand side, the EU is now a mature market with relatively slow growth, while the share of the BRIC countries in total worldwide demand has increased from 8.4 % in 2000 to 33.5 % in 2010. EU based manufacturers are not well placed to benefit from this growth in demand. Even within the EU, third country manufacturers are taking an ever increasing market share.

To date, the automotive sector has been the subject of 21 EGF applications, 12 of which based on trade related globalisation and 9 on the global financial and economic crisis.

The application relates to 6 120 workers made redundant in PSA. This enterprise operates in the economic sector classified under NACE Rev. 2 division 29 ('Manufacture of motor vehicles, trailers and semi-trailers'). The redundancies are mainly located around the Aulnay plant (being closed) in the NUTS level 2 region of the Ile de France and the Rennes plant in Brittany.

The French application: the French authorities submitted the application under the intervention criteria 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 in its suppliers and downstream producers.

Whilst the application contains some deficiencies (lack of information on the sources of national pre-financing or co-funding and the fact that the French authorities have stated that, apart from the measures which the dismissing enterprise is obliged to provide, the only other measures in support of the redundant workers will be those provided with the support of the EGF), **the Commission could assess the application from France**. Following its assessment of this application, the Commission has concluded, in accordance with all applicable provisions of the EGF Regulation, that the conditions for awarding a financial contribution from the EGF are met.

The Commission proposes to mobilise the EGF for the amount of **EUR 12 704 605** to make a contribution to the package of personalised services.

BUDGETARY IMPLICATIONS: 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 12 704 605, 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, 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 12 704 605.

At the same time as it adopts this proposal for a decision to mobilise the EGF, the Commission will 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.