Basic information

2014/2098(BUD) BUD - Budgetary procedure	Procedure completed
Mobilisation of the European Globalisation Adjustment Fund: redundancies in the jewellery sector in Ireland **Subject** 3.40.12 Luxury products industry, cosmetics 4.15.05 Industrial restructuring, job losses, redundancies, relocations, Globalisation Adjustment Fund (EGF) 8.70.60 Previous annual budgets **Geographical area** Ireland	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
BUDG Budgets	ŠTEFANEC Ivan (PPE)	07/10/2014
	Shadow rapporteur GARDIAZABAL RUBIAL Eider (S&D) KÖLMEL Bernd (ECR) JÄÄTTEENMÄKI Anneli (ALDE) NÍ RIADA Liadh (GUE/NGL) VANA Monika (Verts/ALE) 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
Agriculture and Fisheries	3344	2014-11-10

Key events

Date	Event	Reference	Summary
03/10/2014	Non-legislative basic document published	COM(2014)0616	Summary
20/10/2014	Committee referral announced in Parliament		
04/11/2014	Vote in committee		
05/11/2014	Budgetary report tabled for plenary	A8-0024/2014	Summary
10/11/2014	Draft budget approved by Council		
13/11/2014	Decision by Parliament	T8-0047/2014	Summary
13/11/2014	Results of vote in Parliament		
13/11/2014	End of procedure in Parliament		
06/12/2014	Final act published in Official Journal		

Technical information

Procedure reference	2014/2098(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/8/01532

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE539.648	09/10/2014	
Amendments tabled in committee		PE541.381	23/10/2014	
Budgetary report tabled for plenary, 1st reading		A8-0024/2014	05/11/2014	Summary
Budgetary text adopted by Parliament		T8-0047/2014	13/11/2014	Summary

European Commission

Document type	Reference	Date	Summary
Non-legislative basic document	COM(2014)0616	03/10/2014	Summary

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

Final act	
Decision 2014/0877 OJ L 350 06.12.2014, p. 0009	Summary

Mobilisation of the European Globalisation Adjustment Fund: redundancies in the jewellery sector in Ireland

2014/2098(BUD) - 03/10/2014 - Non-legislative basic document

PURPOSE: to mobilise the European Globalisation Adjustment Fund (EGF) to assist Ireland in dealing with redundancies in its jewellery 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 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 Ireland and concluded the following:

Ireland: EGF/2014/007 IE/Andersen: on 16 May 2014, the Irish authorities submitted application EGF/2014/007 IE/Andersen Ireland for a financial contribution from the EGF, following redundancies in Andersen Ireland Limited in Ireland. They submitted the application within **12 weeks** of the date on which the intervention criteria were met, which expired on 16 May 2014.

In order to establish the link between the redundancies and major structural changes in world trade patterns due to globalisation, Ireland argues that in terms of both volume and value, non-EU imports have come to dominate the EU costume (i.e. fashion) jewellery market for the past five years or more. In 2008, Eurostat figures cited by Ireland show that sales within the EU by both EU and non-EU producers started from an almost identical position of 56 000 tonnes in volume of product. Both experienced drops in volume. While the EU volume of product sold in the EU market dropped to 10 600 tonnes in 2012, the non-EU imported product, dropped far less to 45 700 tonnes. Where there had been parity in 2008, four years later the EU was outstripped four-fold by imports. Of this volume of non-EU product, 95% was imported from mostly Asian countries such as China, India, Thailand, and the Philippines. These are precisely the same locations where several companies based in the EU had meanwhile moved their production facilities, including market leaders Folli Follie and Swarovski.

This situation has been further exacerbated by the shift in trade in the sector that has seen a move from the traditional marketing model used by Andersen Ireland and its parent Pierre Lang, with thousands of sales personnel across the European market, being replaced by the virtual, global and without borders model of online sales.

Moreover, the redundancies have a significant adverse impact on the local and regional economy, as Andersen Ireland was a major employer in this mainly rural area, where it had been active for 37 years. Of the 171 strong workforce, 119 workers (69.6 %) were female whose wage was often the sole or most significant income for entire families in this economically challenged area.

It should be noted that this is the first EGF application for workers made redundant in the sector of jewellery, bijouterie and related articles.

Background to the request from Ireland: the Irish authorities submitted the application under the intervention criteria of Article 4(2) of the EGF Regulation, derogating from the criteria of Article 4(1)(a), 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. In the application, a reference period of four months is demonstrated, while the number of workers being made redundant is lower than the 500 person threshold for an Article 4(1)(a) application. Ireland has argued that **exceptional circumstances prevail in this case**, as the redundancies have a serious impact on employment and the local and regional economy.

The application relates to 171 workers made redundant in Andersen Ireland Limited. The enterprise operated in the economic sector classified under NACE Rev. 2 division 32 ('Manufacture of jewellery, bijouterie and related articles'). The redundancies made by the enterprise concerned are mainly located in the NUTS level 2 region of IE02 Southern and Eastern.

The reference period of four months runs from 21 October 2013 to 21 February 2014.

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 1 501 200** to make a contribution to the package of personalised services.

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 1 501 200, 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.

The Commission will present to the European Parliament and to the Council a proposal for a transfer to the relevant budgetary line for the requested amount.

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.

Mobilisation of the European Globalisation Adjustment Fund: redundancies in the jewellery sector in Ireland

2014/2098(BUD) - 26/11/2014 - Final act

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

NON-LEGISLATIVE ACT: Decision 2014/877/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/2014/007 IE /Andersen Ireland*, from Ireland).

CONTENT: with this Decision, the European Parliament and the Council have decided to mobilise the EGF for an amount of **EUR 1 501 200** in commitment and payment appropriations in the framework of the 2014 general budget of the European Union.

This amount shall assist Ireland following redundancies in *Andersen Ireland Limited*.

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, Ireland 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 jewellery sector in Ireland

2014/2098(BUD) - 13/11/2014 - Budgetary text adopted by Parliament

The European Parliament adopted by 569 votes to 72, with 12 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 1 501 200** in commitment and payment appropriations in order to assist Ireland following redundancies in the jewellery 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.

Ireland application: Ireland submitted application EGF/2014/007 IE/Andersen Ireland for a financial contribution from the EGF, following 171 redundancies in Andersen Ireland Limited, during the reference period from 21 October 2013 to 21 February 2014.

Parliament agreed with the Commission that the exceptional circumstances put forward by the Irish authorities, namely that the redundancies have a serious impact on regional employment and the local and regional economy, justify a derogation to the 500 redundancies threshold according to Article 4(2) of the EGF Regulation, and that, therefore, **Ireland is entitled to a financial contribution under that Regulation**. Parliament also welcomed the speedy evaluation by the Commission of less than five months.

It welcomed the fact that, in order to provide workers with speedy assistance, the Irish authorities decided to initiate the implementation of the personalised services to the affected workers on 21 October 2013, well ahead of the final decision on granting the EGF support for the proposed coordinated package.

Nature of the redundancies: Parliament considered that the 171 redundancies in Andersen Ireland Limited are linked to major structural changes in world trade patterns due to globalisation, with the EU jewellery sector being outstripped four-fold by imports within 4 years (2008 to 2012), of which 95% are from Asia. It noted that these redundancies will further aggravate the unemployment situation in the region, as Andersen Ireland was a major employer in this mainly rural area which already had an unemployment rate (39.3%) twice as high as the national average (19%).

NEET: Parliament noted that, in addition to the redundant workers, personalised services co-financed by the EGF shall be provided to up to 138 young people under the age of 25 not in employment, education or training (NEETs). The proposed actions should be adapted to take into account the differences between the needs of dismissed workers and NEETs. Parliament expects a separate list of financial measures for the targeted NEETs in the midterm review.

Coordinated package of personalised services: Parliament noted that the coordinated package of personalised services to be co-funded will seek to open the widest possible range of employment opportunities in an area where there are few expanding sectors or production sites and will require significant upskilling of the redundant workers. It welcomed the set-up of an office of the EGF Co-ordination Unit in close proximity to the affected location which will serve as a one-stop shop for the workers. It noted that the personalised services which are to be provided to workers made redundant consist of the following actions which combine to form a co-ordinated package of personalised services: occupational guidance and career planning supports, EGF Training Grants, training and second level education programmes, third level education programmes, skillsnets training supports, enterprise/self-employment supports, income supports including course expense contributions.

New EGF: Parliament noted that the income supports measures will be strictly limited to a maximum amount of 35% of the overall package of personalised measures. It welcomed the adoption of the EGF Regulation which reflects the agreement reached between the 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 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.

Lastly, it recalled that in line with Article 7 of the EGF Regulation, the design of the coordinated package of personalised services should be compatible with the shift towards a resource-efficient and sustainable economy.

Mobilisation of the European Globalisation Adjustment Fund: redundancies in the jewellery sector in Ireland

2014/2098(BUD) - 05/11/2014 - Budgetary report tabled for plenary, 1st reading

The Committee on Budgets adopted the report by Ivan ŠTEFANEC (EPP, SK) 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 1 501 200** in commitment and payment appropriations in order to assist Ireland following redundancies in the jewellery sector.

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.

Ireland application: Ireland submitted application EGF/2014/007 IE/Andersen Ireland for a financial contribution from the EGF, following 171 redundancies in Andersen Ireland Limited, during the reference period from 21 October 2013 to 21 February 2014.

Members agreed with the Commission that the exceptional circumstances put forward by the Irish authorities, namely that the redundancies have a serious impact on regional employment and the local and regional economy, justify a derogation to the 500 redundancies threshold according to Article 4(2) of the EGF Regulation, and that, therefore, **Ireland is entitled to a financial contribution under that Regulation**.

Members also welcomed the speedy evaluation by the Commission of less than five months.

They welcomed the fact that, in order to provide workers with speedy assistance, the Irish authorities decided to initiate the implementation of the personalised services to the affected workers on 21 October 2013, well ahead of the final decision on granting the EGF support for the proposed coordinated package.

Coordinated package of personalised services: the coordinated package of personalised services to be co-funded will seek to open the widest possible range of employment opportunities in an area where there are few expanding sectors or production sites and will require significant upskilling of the redundant workers. Members welcomed the set-up of an office of the EGF Co-ordination Unit in close proximity to the affected location which will serve

as a one-stop shop for the workers. They noted that the personalised services which are to be provided to workers made redundant consist of the following actions which combine to form a co-ordinated package of personalised services: occupational guidance and career planning supports, EGF Training Grants, training and second level education programmes, third level education programmes, skillsnets training supports, enterprise/self-employment supports, income supports including course expense contributions.

New EGF: Members noted that the income supports measures will be strictly limited to a maximum amount of 35% of the overall package of personalised measures.

They welcomed the adoption of the EGF Regulation which reflects the agreement reached between the 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 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.

Lastly, they recalled that in line with Article 7 of the EGF Regulation, the design of the coordinated package of personalised services should be compatible with the shift towards a resource-efficient and sustainable economy.