Basic information

2014/2170(BUD) BUD - Budgetary procedure	Procedure completed
Mobilisation of the European Globalisation Adjustment Fund: redundancies in the manufacture of electrical equipment sector in Italy **Subject** 3.40.06 Electronics, electrotechnical industries, ICT, robotics 4.15.05 Industrial restructuring, job losses, redundancies, relocations, Globalisation Adjustment Fund (EGF) 8.70.60 Previous annual budgets **Geographical area** Italy	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
BUDG Budgets	VIOTTI Daniele (S&D)	28/10/2014
	Shadow rapporteur FERNANDES José Manuel (PPE) 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	3360	2014-12-15

Commission DG	Commissioner

European Commission	Budget	GEORGIEVA Kristalina

Key events

Date	Event	Reference	Summary
28/10/2014	Non-legislative basic document published	COM(2014)0672	Summary
12/11/2014	Committee referral announced in Parliament		
11/12/2014	Vote in committee		
11/12/2014	Budgetary report tabled for plenary	A8-0064/2014	Summary
15/12/2014	Draft budget approved by Council		
16/12/2014	Decision by Parliament	T8-0080/2014	Summary
16/12/2014	Results of vote in Parliament		
16/12/2014	End of procedure in Parliament		
14/01/2015	Final act published in Official Journal		

Technical information

Procedure reference	2014/2170(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/8/01882

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE541.456	14/11/2014	
Amendments tabled in committee		PE544.277	04/12/2014	
Budgetary report tabled for plenary, 1st reading		A8-0064/2014	11/12/2014	Summary
Budgetary text adopted by Parliament		T8-0080/2014	16/12/2014	Summary

European Commission

Document type	Reference	Date	Summary
	COM(2014)0672		

Non-legislative basic document		28/10/2014	Summary

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

Final act	
Decision 2015/0042 OJ L 008 14.01.2015, p. 0014	Summary

Mobilisation of the European Globalisation Adjustment Fund: redundancies in the manufacture of electrical equipment sector in Italy

2014/2170(BUD) - 17/12/2014 - Final act

PURPOSE: to mobilise the European Globalisation Adjustment Fund (EGF) to assist Italy following redundancies in its manufacture of electrical equipment sector.

NON-LEGISLATIVE ACT: Decision (EU) 2015/42 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/2014/010 IT /Whirlpool, from Italy).

CONTENT: with this Decision, the European Parliament and the Council have decided to mobilise the sum of **EUR 1 890 000** in commitment and payment appropriations from European Globalisation Adjustment Fund within the framework of the general budget of the European Union for the financial year 2014.

This amount shall assist Italy following redundancies in Whirlpool Europe S.r.l. and five suppliers and downstream producers.

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

To recall, the European Globalisation Adjustment Fund 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 of the European Parliament and of the Council, 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 manufacture of electrical equipment sector in Italy

2014/2170(BUD) - 16/12/2014 - Budgetary text adopted by Parliament

The European Parliament adopted by 604 votes to 82, with 15 abstentions, a 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 1 890 000** in commitment and payment appropriations in order to assist Italy following redundancies in the electrical equipment sector (application EGF/2014/010 IT/Whirpool, from Italy).

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.

Italy's application: the Italian authorities submitted application EGF/2014/010 IT/Whirlpool on 18 June 2014 following the dismissal of 608 workers in Whirlpool Europe S.r.l., an enterprise which operated in the economic sector classified under NACE Rev. 2 division 27 ('Manufacture of electrical equipment'), and five providers and downstream producers. Parliament noted that the Italian 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. Therefore, **Italy is entitled to a financial contribution under the EGF Regulation.**

Parliament welcomed the fact that, in order to provide workers with speedy assistance, the Italian authorities decided to initiate the implementation of the personalised services to the affected workers on 4 February 2014, ahead of the final decision on granting the EGF support for the proposed coordinated package and even of the application for a financial contribution from the EGF.

Nature of the redundancies: Parliament highlighted that due to the financial and economic crisis resulting in significant decline of household consumption, the Italian market for big household appliances has dropped from EUR 3 174 billion in 2010 to EUR 2 649 billion in 2013, this representing a decline by 16.5%. It noted that these redundancies will further aggravate the unemployment situation in the province of Trento, where the unemployment rate has doubled since the beginning of the crisis, raising from 2.9% in 2007 to 6.1% in 2013.

The resolution noted that, in addition to the 502 redundancies in Whirlpool, considered as the primary enterprise, within the reference period, 106 workers made redundant in five suppliers and downstream producers are also included in the number of eligible beneficiaries, which amounts to 608 persons in total, all of them being counted as targeted beneficiaries of the EGF measures.

A coordinated package of personalised services: Parliament noted that the personalised services which are to be provided consist of: information sessions, intake and registration, counselling and guidance, skills assessment, general training and re-training, vocational training, coaching, accompaniment after reintegration into work and accompaniment towards entrepreneurship. These services also include job-search allowance as well as participation allowance.

Members noted that 16.78% of the targeted beneficiaries are non-EU citizens. They considered that certain elements of the coaching activity could be particularly useful to help these beneficiaries to re-integrate into the labour market.

New EGF: Parliament 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.

Mobilisation of the European Globalisation Adjustment Fund: redundancies in the manufacture of electrical equipment sector in Italy

2014/2170(BUD) - 11/12/2014 - Budgetary report tabled for plenary, 1st reading

The Committee on Budgets adopted the report by Daniele Viotti (S&D, IT 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 1 890 000** in commitment and payment appropriations in order to assist Italy following redundancies in the electrical equipment 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.

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Mobilisation of the European Globalisation Adjustment Fund: redundancies in the manufacture of electrical equipment sector in Italy

2014/2170(BUD) - 28/10/2014 - Non-legislative basic document

PURPOSE: to mobilise the European Globalisation Adjustment Fund (EGF) to assist Italy following redundancies in its manufacture of electrical equipment 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 Italy and concluded the following:

Italy:application EGF/2014/010 IT/Whirlpool: the Italian authorities submitted application EGF/2014/010 IT/Whirlpool for a financial contribution from the EGF, following redundancies in Whirlpool Europe S.r.l. and five suppliers and downstream producers in Italy. The authorities submitted the application within the **12 week** delay as set out in the EGF Regulation, which expires on 5 November 2014.

In order to establish the link between the redundancies and the global financial and economic crisis, Italy argues that in 2009, as a consequence of the global financial and economic crisis, there was a significant downturn in the economy at EU-28 level, as well as in the Italian economy. The Italian GDP growth rate was positive in 2010 (1.7%) and 2011 (0.4%) and negative since then (-2.4% in 2012 and -1.9% in 2013).

This situation of recession has had a profound effect on the consumption choices of Italian households which had reconsidered their buying decisions, in particular those related to buying durable goods. Domestic appliances belong to this group of goods.

According to data referred to by the Italian authorities, all five largest domestic appliance manufacturers in Italy (Electrolux, Indesit, Whirlpool Europe, Franke and Antonio Merloni), have suffered a sharp decline in production over the period 2008-2012 due to the economic and financial crisis.

The Commission states that to date, the manufacture of electrical equipment sector has been the subject of three EGF applications, all of them based on the global financial and economic crisis. The arguments presented in previous EGF applications related to this sector remain valid.

Background to the French application: the Italian 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 in its suppliers and downstream producers.

The Italian authorities voluntarily shortened the reference period of four months provided for in Regulation (EU) No 1309/2013. The reference period is from 10 December 2013 to 31 March 2014.

The application relates to 608 workers made redundant in Whirlpool Europe S.r.l. and five providers and downstream producers. The primary enterprise operated in the economic sector classified under NACE Rev. 2 division 27 ('Manufacture of electrical equipment'). The redundancies made by the enterprises concerned are located in the NUTS level 2 region of Provincia Autonoma di Trento (ITH2).

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.

In view of the Italian request, it is proposed to mobilise the EGF for the amount of **EUR 1 890 000** 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 1 890 000, 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 requested amount.

When the Commission adopts this proposal for a decision to mobilise the EGF, 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.