Basic information

2014/2181(BUD) BUD - Budgetary procedure	Procedure completed
Mobilisation of the European Globalisation Adjustment Fund: redundancies in the automotive sector in Poland **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** Poland	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
BUDG Budgets	OLBRYCHT Jan (PPE)	11/11/2014
	Shadow rapporteur GERINGER DE OEDENBERG Lidia Joanna (S&D) 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

European Commission	Commission DG	Commissioner
	Budget	GEORGIEVA Kristalina

Key events

Date	Event	Reference	Summary
10/11/2014	Non-legislative basic document published	COM(2014)0699	Summary
24/11/2014	Committee referral announced in Parliament		
11/12/2014	Vote in committee		
11/12/2014	Budgetary report tabled for plenary	A8-0062/2014	Summary
15/12/2014	Draft budget approved by Council		
16/12/2014	Decision by Parliament	T8-0081/2014	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	2014/2181(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/8/01963

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE541.648	14/11/2014	
Amendments tabled in committee		PE544.278	04/12/2014	
Budgetary report tabled for plenary, 1st reading		A8-0062/2014	11/12/2014	Summary
Budgetary text adopted by Parliament		T8-0081/2014	16/12/2014	Summary

European Commission

Document type	Reference	Date	Summary

Non-legislative basic document	COM(2014)0699	10/11/2014	Summary

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

Final act	
Decision 2015/0041 OJ L 008 14.01.2015, p. 0012	Summary

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

2014/2181(BUD) - 16/12/2014 - Budgetary text adopted by Parliament

The European Parliament adopted by 603 votes to 81, with 17 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 1 259 610** in commitment and payment appropriations in order to assist Poland 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.

Polish application: Poland submitted application EGF/2013/006 PL/Fiat for a financial contribution from the EGF, following 1079 redundancies, 829 in Fiat Auto Poland and 250 from 21 suppliers and downstream producers, with 777 persons expected to participate in EGF measures, linked to a decrease in production at the Tychy plant of Fiat Auto Poland S.A. ('Tychy plant of Fiat') located in the province of Slaskie, Poland, during the reference period from 21 January 2013 to 21 May 2013.

Parliament noted that the conditions set out in Article 2(a) of the EGF Regulation are met. Therefore, it agreed with the Commission that **Poland is entitled to a financial contribution under the EGF Regulation.**

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Nature of the redundancies: Parliament noted that the redundancies in the Tychy plant of Fiat and its suppliers and downstream producers are linked to major structural changes in world trade patterns due to globalisation. It underlined that the impact of globalisation has been worsened by the effect of the financial crisis, which has reduced the sales of new passenger cars in the Union to the lowest level since records began.

It also noted that the redundancies at the Tychy plant of Fiat are expected to have a negative impact on the region, as the former workers of Fiat Auto Poland, suppliers and downstream producers represent 10% of all the unemployed people living in the province of Slaskie.

Dismissed workers: Parliament welcomed that, among other measures, intervention work specifically targets the group of workers over 50 years of age which constitutes a significant proportion of the beneficiaries. It underlined the high level of older people and people with lower qualifications affected by the redundancies which represent 18.7% and 62.6% respectively of all affected workers and called for special attention for those two groups and for special EGF measures targeted at them.

Coordinated package of personalised services: Parliament noted that the coordinated package of personalised services to be co-funded includes following measures for the reintegration of 777 redundant workers into employment: (i) training and training related costs, (ii) entrepreneurial training, (iii) training scholarships, (iv) internship scholarships, (v) internship costs, (vi) intervention works, (vii) grants for self-employment, (viii) hiring incentive.

The resolution noted that the implementation of the personalised services was completed at the end of 2013 and that, according to the provisional data, 269 persons participated in 313 different activities in the framework of the package, out of which 219 persons have found employment as a result of the provided support.

Parliament expected the training on offer to be adapted not only to the needs of the dismissed workers but also to the actual business environment.

Lastly, 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.

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

2014/2181(BUD) - 11/12/2014 - Budgetary report tabled for plenary, 1st reading

The Committee on Budgets adopted the report by Jan OLBRYCHT (EPP, PL) 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 1 259 610** in commitment and payment appropriations in order to assist Poland following redundancies in the automotive 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.

Polish application: Poland submitted application EGF/2013/006 PL/Fiat for a financial contribution from the EGF, following 1079 redundancies, 829 in Fiat Auto Poland and 250 from 21 suppliers and downstream producers, with 777 persons expected to participate in EGF measures, linked to a decrease in production at the Tychy plant of Fiat Auto Poland S.A. ('Tychy plant of Fiat') located in the province of Slaskie, Poland, during the reference period from 21 January 2013 to 21 May 2013. Members noted that the conditions set out in Article 2(a) of the EGF Regulation are met. Therefore, **Poland is entitled to a financial contribution under the EGF Regulation.**

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

Nature of the redundancies: Members noted that the redundancies in the Tychy plant of Fiat and its suppliers and downstream producers are linked to major structural changes in world trade patterns due to globalisation. They underlined that the impact of globalisation has been worsened by the effect of the financial crisis, which has reduced the sales of new passenger cars in the Union to the lowest level since records began.

They noted that the redundancies at the Tychy plant of Fiat are expected to have a negative impact on the region, as the former workers of Fiat Auto Poland, suppliers and downstream producers represent 1/10 of all the unemployed people living in the province of Slaskie.

A coordinated package of personalised services: Members noted that the coordinated package of personalised services to be co-funded includes following measures for the reintegration of 777 redundant workers into employment: (i) training and training related costs, (ii) entrepreneurial training, (iii) training scholarships, (iv) internship scholarships, (v) internship costs, (vi) intervention works, (vii) grants for self-employment, (viii) hiring incentive.

Members underlined the high level of older people and people with lower qualifications affected by the redundancies and called for special attention to those two groups and special EGF measures targeted at them.

Members 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. They believed that 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.

New EGF: Members welcomed the adoption of the new EGF 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.

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. They recalled 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.

Lastly, they 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.

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

2014/2181(BUD) - 17/12/2014 - Final act

PURPOSE: to mobilise the European Globalisation Adjustment Fund (EGF) to assist Poland following redundancies in its automotive sector.

NON-LEGISLATIVE ACT: Decision (EU) 2015/41 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/2013/006 PL /Fiat Auto Poland S.A., from Poland).

CONTENT: with this Decision, the European Parliament and the Council have decided to mobilise the sum of **EUR 1 259 610** 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 Poland in respect of redundancies in the enterprise Fiat Auto Poland S.A. and 21 suppliers and downstream producers.

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 European Globalisation Adjustment 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.

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 Poland

2014/2181(BUD) - 10/11/2014 - Non-legislative basic document

PURPOSE: to mobilise the European Globalisation Adjustment Fund (EGF) to assist Poland following redundancies in its automotive 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) over and above the relevant headings of the financial framework.

The rules applicable to financial contributions from the European Globalisation Adjustment Fund (EGF) are laid down in Regulation (EC) No 1927/2006 (the 'EGF Regulation') of the European Parliament and of the Council.

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

Polond: EGF/2013/006 PL/Fiat Auto Poland: Poland submitted the application to the Commission on 29 July 2013 and supplemented by additional information up to 16 June 2014.

In order to establish the link between the redundancies and major structural changes in world trade patterns due to globalisation, Poland argues that the European automotive industry has lost market share since 2007. That year European passenger car production accounted for 32.2% of global production, whereas in 2012 it had amounted to 23.2%.

Poland added that while world production levels increased by 5.3% from 2011 to 2012, EU-27 production decreased by 7% in the same period and that the situation was even worse at national level, where production volume decreased by almost a third in 2012 compared to 2011 levels.

The impact of globalisation has been worsened by the effect of the financial crisis, which has reduced the sales of new passenger cars in the EU to the lowest level since records began.

As regards Fiat Auto Poland, the applicant stated that over the 2009-2013 period, while production decreased by 56%, employment dropped by only 46%.

To date, the automotive sector has been the subject of 21 EGF applications, of which 12 are based on trade related globalisation, while the other 9 are based on the crisis criterion.

Poland submitted this application under the intervention criteria of Article 2(a) of Regulation (EC) No 1927/2006, which requires at least 500 redundancies over a four-month period in an enterprise in a Member State, including workers made redundant in its suppliers and downstream producers.

The application cites the final figure of 829 redundancies in Fiat Auto Poland and 250 from 21 suppliers and downstream producers. The redundancies took place during the four-month reference period from 21 January 2013 to 21 May 2013.

The Polish Authorities have pointed out that the information in the EGF application is based on the number of unemployed people registered in the Labour Office and that, according to these data, they consider the 829 redundancies related to Fiat Auto Poland and 250 redundancies related to its suppliers to be eligible for the purposes of the EGF application.

After a thorough examination of this application, the Commission has concluded in accordance with Article 10 of Regulation (EC) No 1927/2006 that the conditions for a financial contribution under this Regulation are met.

On the basis of the application from Poland, the proposed contribution from the EGF to the coordinated package of personalised services is **EUR 1 259 610**, representing 50% of the total cost.

FINANCIAL IMPLICATION: 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 1 259 610), which represents 50% of the total costs of the 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, as required under point 13 of the Interinstitutional Agreement of 2 December 2013.