Basic information

2015/2016(BUD) BUD - Budgetary procedure	Procedure completed
Mobilisation of the European Globalisation Adjustment Fund: redundancies in the chemical industry in Poland **Subject** 3.40.01 Chemical industry, fertilizers, plastics 4.15.05 Industrial restructuring, job losses, redundancies, relocations, Globalisation Adjustment Fund (EGF) 8.70.55 2015 budget **Geographical area** Poland	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
BUDG Budgets	OLBRYCHT Jan (PPE)	22/01/2015
	Shadow rapporteur GERINGER DE OEDENBERG Lidia Joanna (S&D) ALI Nedzhmi (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
Employment, Social Policy, Health and Consumer Affairs	3374	2015-03-09

Commission DG	Commissioner

European Commission	Budget	GEORGIEVA Kristalina

Key events

Date	Event	Reference	Summary
21/01/2015	Non-legislative basic document published	COM(2015)0013	Summary
28/01/2015	Committee referral announced in Parliament		
26/02/2015	Vote in committee		
02/03/2015	Budgetary report tabled for plenary	A8-0036/2015	Summary
03/03/2015	End of procedure in Parliament		
09/03/2015	Draft budget approved by Council		
10/03/2015	Decision by Parliament	T8-0041/2015	Summary
10/03/2015	Results of vote in Parliament		
20/03/2015	Final act published in Official Journal		

Technical information

Procedure reference	2015/2016(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/8/02605

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE546.864	30/01/2015	
Amendments tabled in committee		PE549.261	17/02/2015	
Budgetary report tabled for plenary, 1st reading		A8-0036/2015	02/03/2015	Summary
Budgetary text adopted by Parliament		T8-0041/2015	10/03/2015	Summary

European Commission

Document type	Reference	Date	Summary
	COM(2015)0013		

Non-legislative basic document		21/01/2015	Summary

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

Final act	
Decision 2015/0469 OJ L 076 20.03.2015, p. 0054	Summary

Mobilisation of the European Globalisation Adjustment Fund: redundancies in the chemical industry in Poland

2015/2016(BUD) - 11/03/2015 - Final act

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

NON-LEGISLATIVE ACT: Decision (EU) 2015/469 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/2013/009 PL /Zachem*, from Poland).

CONTENT: with this Decision, the European Parliament and the Council have decided to mobilise the sum of **EUR 115 205** 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 2015.

This amount shall assist Poland in respect of redundancies in the enterprise *Zachem* and two suppliers and downstream producers.

This application complies with the requirements for determining the financial contributions as laid down in Regulation (EC) No 1927/2006 (EGF Regulation) which remains applicable, notwithstanding its repeal, for all applications submitted before 31 December 2013.

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**.

ENTRY INTO FORCE: 11.03.2015.

Mobilisation of the European Globalisation Adjustment Fund: redundancies in the chemical industry in Poland

2015/2016(BUD) - 21/01/2015 - Non-legislative basic document

PURPOSE: to mobilise the European Globalisation Adjustment Fund (EGF) to assist Poland following redundancies in its chemical 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) 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 of the European Parliament and of the Council on the European Globalisation Adjustment Fund.

On 9 October 2013, Poland submitted application EGF/2013/009 PL/Zachem for a financial contribution from the EGF, following redundancies in Zachem and 2 suppliers in Poland.

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

Poland: EGF/2013/009 PL/Zachem: the application was presented to the Commission on 9 October 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 EU has undergone a significant loss of market share in the chemical industry, losing its top position in the world for sales of chemicals. From 1992 to 2012, the EU share in the world market of chemicals drastically declined, from 35.2% in 1992 to 17.8% in 2012. The trend in recent years has evidenced the migration of chemical manufacturing towards Asia, and China in particular. The level of production in the Asian economies is also driven by lower labour costs, access to markets, subsidies, taxes and regulation.

China in particular is highly attractive for its economic potential and growth rates, but the rest of Asia, including countries such as India, Singapore or South Korea, should not be underestimated.

Zaklady Chemiczne Zachem, was a Polish manufacturer of chemical products based in Bydgoszcz, and one of the subsidiary units of Ciech. Zachem was responsible for the production of semi-finished and

finished and organic and non-organic chemical products for the automotive, chemical, furniture, construction, textile, paper, leather, and related industries as well as for the energy sector and for the manufacturers of cables. The flagship product was TDI (toluene di-isocyanate), which main component is toluene, until the shutdown of the line in December 2012.

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 or downstream producers.

The application cites 615 redundancies in 3 enterprises operating in the NACE Revision 2 Division 20 (Manufacture of chemicals and chemical products) in the NUTS 2 Kujawsko-Pomorskie Province (PL61) during the four-month reference period from 31 March 2013 to 31 July 2013.

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 115 205**, representing 50% of the total cost.

FINANCIAL IMPLICATION: considering the maximum possible amount of a financial contribution from the EGF, as well as the scope for reallocating appropriations, the Commission proposes to mobilise the EGF for the total amount referred to above.

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 2015 budget specific commitment appropriations, as required in Point 13 of the Interinstitutional Agreement of 2 December 2013.

Mobilisation of the European Globalisation Adjustment Fund: redundancies in the chemical industry in Poland

2015/2016(BUD) - 02/03/2015 - 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 for an amount of EUR 115 205 in commitment and payment appropriations in order to assist Poland following redundancies in its chemical 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.

Polish application: Poland submitted application EGF/2013/009 PL/Zachem for a financial contribution from the EGF following 615 redundancies in Zaklady Chemiczne Zachem and 2 suppliers, linked to the discontinuation of production and corporate reorganisation of Zachem, operating in the NACE 2 Division 20 'Manufacture of chemicals and chemical products', located in the NUTS 2 Kujawsko-Pomorskie Province. The redundancies took place during the reference period from 31 March 2013 to 31 July 2013 and are linked to a decline in the Union's market share of the chemical industry. Therefore, Poland is entitled to a financial contribution under that Regulation.

Members recalled that this application is among the last two to be treated under the 2006 EGF Regulation and the adoption of Regulation (EU) No 1309 /2013 reflects the agreement reached between the Parliament and the Council to reintroduce the crisis mobilisation criterion, to increase the Union financial contribution to 60% of the total estimated cost of proposed measures.

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 4 March 2013, well ahead of the decision and even the application on granting the EGF support for the proposed coordinated package.

Nature of the redundancies: Members noted that the measures supported by the EGF are targeted at the 50 workers in the most disadvantaged situation and includes the following 2 measures: hiring incentives and intervention works. They underlined that Zachem was the biggest employer in the region and that in the given reference period, the workers dismissed directly or indirectly from Zachem amounted to 60% of all newly registered unemployed persons in the district employment office in Bydgoszcz.

Package of personalised services: Members noted that the coordinated package of personalised services is aimed at complementing the numerous ongoing measures available for the redundant workers in the framework of the Human Capital Operational Programme co-financed by the European Social Fund and the other measures undertaken by the employment offices in the region. They noted that the largest proportion of the costs for personalised services will be spent on hiring incentives targeted at 45 workers, which aim to provide an incentive to employers who decided to hire these workers for at least 24 months.

Lastly, 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.

Mobilisation of the European Globalisation Adjustment Fund: redundancies in the chemical industry in Poland

2015/2016(BUD) - 10/03/2015 - Budgetary text adopted by Parliament

The European Parliament adopted by 507 votes to 58, with 5 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 for an amount of **EUR 115 205** in commitment and payment appropriations in order to assist Poland following redundancies in its chemical 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.

Polish application: Poland submitted application EGF/2013/009 PL/Zachem for a financial contribution from the EGF following 615 redundancies in Zaklady Chemiczne Zachem and 2 suppliers, linked to the discontinuation of production and corporate reorganisation of Zachem, operating in the NACE 2 Division 20 'Manufacture of chemicals and chemical products', located in the NUTS 2 Kujawsko-Pomorskie Province. The redundancies took place during the reference period from 31 March 2013 to 31 July 2013 and are linked to a decline in the Union's market share of the chemical industry. Therefore, **Poland is entitled to a financial contribution under that Regulation**.

Parliament recalled that this application is among the last two to be treated under the 2006 EGF Regulation and the adoption of Regulation (EU) No 1309/2013 reflects the agreement reached between the Parliament and the Council to reintroduce the crisis mobilisation criterion, to increase the Union financial contribution to 60% of the total estimated cost of proposed measures.

It 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 4 March 2013, well ahead of the decision and even the application on granting the EGF support for the proposed coordinated package.

Nature of the redundancies: Parliament noted that the measures supported by the EGF are targeted at the 50 workers in the most disadvantaged situation and includes the following 2 measures: hiring incentives and intervention works. It underlined that Zachem was the biggest employer in the region and that in the given reference period, the workers dismissed directly or indirectly from Zachem amounted to 60% of all newly registered unemployed persons in the district employment office in Bydgoszcz.

The resolution noted that the redundancies at Zachem and its suppliers are expected to have a negative impact on the Kujawsko-Pomorskie Province, which had the highest unemployment rate in the country, amounting to 17.4% in July 2013, despite the economic expansion the region has benefited from.

Package of personalised services: Parliament noted that the coordinated package of personalised services is aimed at complementing the numerous ongoing measures available for the redundant workers in the framework of the Human Capital Operational Programme co-financed by the European Social Fund and the other measures undertaken by the employment offices in the region. It noted that the largest proportion of the costs for personalised services will be spent on hiring incentives targeted at 45 workers, which aim to provide an incentive to employers who decided to hire these workers for at least 24 months.

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.

Lastly, Parliament stressed that EGF assistance can co-finance only active labour market measures which lead to durable, **long-term employment**. It must not replace actions which are the responsibility of companies by virtue of national law or collective agreements nor measures restructuring companies or sectors.