Basic information

2015/2017(BUD) BUD - Budgetary procedure	Procedure completed
Mobilisation of the European Globalisation Adjustment Fund: redundancies in the manufacture of safety glass for the automotive industry in Belgium **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) 8.70.55 2015 budget **Geographical area** Belgium	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
BUDG Budgets	NÍ RIADA Liadh (GUE/NGL)	22/01/2015
	Shadow rapporteur MUREŞAN Siegfried (PPE) GARDIAZABAL RUBIAL Eider (S&D) TORVALDS Nils (ALDE) 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

European Commission	Commission DG	Commissioner
	Budget	GEORGIEVA Kristalina

Key events

Date	Event	Reference	Summary
21/01/2015	Non-legislative basic document published	COM(2015)0009	Summary
28/01/2015	Committee referral announced in Parliament		
26/02/2015	Vote in committee		
02/03/2015	Budgetary report tabled for plenary	A8-0034/2015	Summary
09/03/2015	Draft budget approved by Council		
10/03/2015	Decision by Parliament	T8-0049/2015	Summary
10/03/2015	Results of vote in Parliament		
10/03/2015	End of procedure in Parliament		
20/03/2015	Final act published in Official Journal		

Technical information

Procedure reference	2015/2017(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/8/02606

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE546.865	09/02/2015	
Amendments tabled in committee		PE549.294	16/02/2015	
Budgetary report tabled for plenary, 1st reading		A8-0034/2015	02/03/2015	Summary
Budgetary text adopted by Parliament		T8-0049/2015	10/03/2015	Summary

European Commission

Document type	Reference	Date	Summary
	COM(2015)0009		

Non-legislative basic document		21/01/2015	Summary

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

Final act	
Decision 2015/0470 OJ L 076 20.03.2015, p. 0056	Summary

Mobilisation of the European Globalisation Adjustment Fund: redundancies in the manufacture of safety glass for the automotive industry in Belgium

2015/2017(BUD) - 11/03/2015 - Final act

PURPOSE: to mobilise the European Globalisation Adjustment Fund (EGF) to assist Belgium following redundancies in the manufacture of safety glass for the automotive industry.

NON-LEGISLATIVE ACT: Decision (EU) 2015/470 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/2013/011 BE /Saint-Gobain Sekurit*, from Belgium).

CONTENT: with this Decision, the European Parliament and the Council have decided to mobilise the sum of **EUR 1 339 928** 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 Belgium in respect of redundancies in the enterprise *Saint-Gobain Sekurit Benelux* SA.

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 manufacture of safety glass for the automotive industry in Belgium

2015/2017(BUD) - 02/03/2015 - Budgetary report tabled for plenary, 1st reading

The Committee on Budgets adopted the report by Liadh NÍ RIADA (GUE/NGL, IE) 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 1 339 928 in commitment and payment appropriations in order to assist Belgium following redundancies in the manufacture of safety glass for the automotive 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.

Belgian application: Belgium submitted application EGF/2013/011 BE/Saint-Gobain Sekurit for a financial contribution from the EGF following 257 redundancies linked to the closure of a plant of the Saint-Gobain Sekurit (SGS) group, located in Auvelais, which produced safety glass for the

automotive industry. The redundancies took place during and after the reference period from 31 August 2013 to 31 December 2013 and are linked to a decline in the production of automotive safety glass in the European Union.

Members agreed with the Commission decision that the application for EGF financial contribution submitted by Belgium is entitled to a financial contribution under Article 2(c), which requires exceptional circumstances to be demonstrated, despite the fact that the conditions set out in Articles 2(a) and 2(b) of the EGF Regulation are not met. They stressed however that invoking Article 2(c) should be assessed on a case-by-case situation and should not become a general method for the mobilisation of the EGF when basic conditions are not met.

Members welcomed the fact that, in order to provide workers with speedy assistance, the Belgian authorities decided to initiate the implementation of the personalised services to the affected workers on 31 August 2013, well ahead of the decision and even the application on granting the EGF support for the proposed coordinated package.

Expressing concerns about the length of the procedure, Members urged the Member States and all the institutions involved to make the necessary efforts to improve procedural and budgetary arrangements in order to accelerate the mobilisation of the EGF.

Members stressed that the EGF is a special instrument that allows the Union to react to specified unforeseen circumstances and should maintain its main purpose, that is to provide support in case where, during a reference period, a large number of workers (minimum 500) are made redundant as a result of major structural changes in world trade patterns due to globalisation and global financial and economic crises. They stressed that the EGF must not become a substitute for other European Structural and Investment Funds, such as the European Social Fund, and must be used to complement such funds. In this respect, the exceptional circumstances which allow for the mobilisation of the EGF must not divert from the above-mentioned scope.

Nature of the redundancies: Members noted that the sector of the manufacture of safety glass for the automotive industry has undergone serious economic disruption as a result of several factors, such as a decrease in the production of automotive safety glass in the Union, an increase in the market shares of competitors from non-Member States and an increase in imports of these products into the Union. They also noted that SGS Benelux's activities were closely linked to production trends in the automotive industry and that the socioeconomic situation of the area concerned and of its neighbouring areas (Charleroi, Namur) means that the workers made redundant by SGS Benelux have limited employment possibilities. They noted that the redundancies at SGS mainly concern production-line workers (83% of staff concerned have ‘ouvrier’ status). Members considered that in the context of the labour market situation in the affected region, the dismissed workers will have to be retrained to find jobs in other occupations and/or other sectors.

Package of personalised services: Members noted that the coordinated package of personalised services to be co-funded includes the following measures for the reintegration of the 257 redundant workers into employment (grouped by category): (1) individual job-search assistance, case management and general information services, (2) training and retraining and (3) promotion of entrepreneurship. They insisted on the need to enhance and encourage assistance with autonomy of workers. 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.

Lastly, they also stressed that EGF assistance can co-finance only active labour market measures which lead to durable, long-term employment.

Mobilisation of the European Globalisation Adjustment Fund: redundancies in the manufacture of safety glass for the automotive industry in Belgium

2015/2017(BUD) - 21/01/2015 - Non-legislative basic document

PURPOSE: to mobilise the European Globalisation Adjustment Fund (EGF) to assist Belgium following redundancies in the manufacture of safety glass for the automotive 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 Regulation (EC) No 1927/2006 of the European Parliament and of the Council on the European Globalisation Adjustment Fund.

On 19 December 2013, Belgium submitted application EGF/2013/011 BE/Saint-Gobain Sekurit for a financial contribution from the EGF, following redundancies linked to the closure of the production plant of Saint-Gobain Sekurit Benelux SA (‘SGS Benelux’) located in Auvelais, near Sambreville.

In this context, the Commission examined the application for mobilisation of the EGF to assist Belgium and concluded the following:

Belgium: EGF/2013/011 BE/Saint-Gobain Sekurit: Belgium submitted its application on 19 December 2013 and supplemented it by additional information up to 4 July 2014.

In order to establish the link between the redundancies and major structural changes in world trade patterns due to globalisation, the Belgian authorities argue that the sector of the manufacture of safety glass for the automotive industry, in which Saint-Gobain Sekurit (SGS) Benelux is active, has undergone serious economic disruption as a result of several factors, such as a decrease in the production of automotive safety glass in the EU, an increase of the market shares of competitors from non-EU countries and an increase in imports of these products into the EU.

According to data referred to by the Belgian authorities, between 2007 and 2012, the production of passenger cars in the EU-27 decreased from 21.9 million units to 19.5 million units (− 11.3 %; − 2.4 % annual growth), whereas, in the rest of the world, it increased from 47.5 million units to 60.6 million units (+ 27.6 %; + 5.0 % annual growth). This reduction in car production levels in the EU, which is linked to the general decrease in consumer demand in the EU as a consequence of the economic crisis, has therefore led to a general reduction in demand for automotive equipment in the EU, which has strongly affected automotive equipment suppliers. In the case of SGS Benelux, for example, during the period preceding the redundancies (2011 /2012), Ford, Volvo, and BMW, which were the main direct clients of SGS Benelux, recorded decreases in sales of respectively 12 %, 10 % and 2 %.

This reduction in production levels has led to a weakening of the competitive position of EU producers of automotive safety glass, in particular compared to producers in Turkey or China.

The impacts of these changes in trade patterns have been exacerbated by other factors such as high production costs (in particular labour costs), overcapacity due to the reduction of production levels and low levels of productive investment. As a result, between 2007 and 2012, SGS Benelux recorded an operating loss of EUR 20.46 million.

The Belgian application is based on the intervention criteria of Article 2(c) of the EGF Regulation, under which, in exceptional circumstances, an application may be considered admissible even if the intervention criteria laid down in Articles 2(a) or 2(b) of the EGF Regulation are not met, provided that the redundancies have a serious impact on employment and the local economy.

The application relates to 250 redundancies made at SGS Benelux during a period of four months from 31 August 2013 to 31 December 2013 and to 7 redundancies made at SGS Benelux before 31 August 2014 which are related to the same collective redundancies procedure.

The Belgian authorities argue that exceptional circumstances are applicable because, although the number of redundancies is below the threshold of 500 redundancies, the effects of the redundancies are expected to be significant. In addition, it has been announced that another enterprise belonging to the Saint-Gobain Group, Saint-Gobain Glass Benelux, will also cease production activities at its plant in Auvelais, in September 2014. In total, the number of direct redundancies expected to be caused by the closure of SGS Benelux and Saint-Gobain Glass Benelux is very high (approximately 260 redundancies at SGS Benelux and around 300 redundancies at Saint-Gobain Glass Benelux). These redundancies are likely to have a serious impact on employment and the local economy.

Having examined this application, the Commission has concluded that the conditions for a financial contribution from the EGF are met.

Therefore, the proposed contribution from the EGF to the coordinated package of personalised services is **EUR 1 339 928.**

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 which represents 50% of the total cost of actions.

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 manufacture of safety glass for the automotive industry in Belgium

2015/2017(BUD) - 10/03/2015 - Budgetary text adopted by Parliament

The European Parliament adopted by 597 votes to 77, with 6 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 1 339 928** in commitment and payment appropriations in order to assist Belgium following redundancies in the manufacture of safety glass for the automotive 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.

It stressed the fact that the EGF is a special instrument that allows the Union to react to specified unforeseen circumstances and should maintain its main purpose, that is to provide support in case where, during a reference period, a large number of workers (minimum 500) are made redundant as a result of major structural changes in world trade patterns due to globalisation and global financial and economic crises.

The EGF must not become a substitute for other European Structural and Investment Funds, such as the European Social Fund, and **must be used to complement such funds**. It emphasised that the exceptional circumstances which allow for the mobilisation of the EGF must not divert from the above-mentioned scope.

Belgian application: Belgium submitted application EGF/2013/011 BE/Saint-Gobain Sekurit for a financial contribution from the EGF following 257 redundancies linked to the closure of a plant of the Saint-Gobain Sekurit (SGS) group, located in Auvelais, which produced safety glass for the automotive industry. The redundancies took place during and after the reference period from 31 August 2013 to 31 December 2013 and are linked to a decline in the production of automotive safety glass in the European Union.

Parliament agreed with the Commission decision that the application for EGF financial contribution submitted by Belgium is entitled to a financial contribution under Article 2(c), which requires exceptional circumstances to be demonstrated, despite the fact that the conditions set out in Articles 2(a)

and 2(b) of the EGF Regulation are not met. It stressed however that invoking Article 2(c) should be assessed on a case-by-case situation and should not become a general method for the mobilisation of the EGF when basic conditions are not met.

It welcomed the fact that, in order to provide workers with speedy assistance, the Belgian authorities decided to initiate the implementation of the personalised services to the affected workers on 31 August 2013, well ahead of the decision and even the application on granting the EGF support for the proposed coordinated package.

Expressing concerns about the length of the procedure, Members urged the Member States and all the institutions involved to make the necessary efforts to improve procedural and budgetary arrangements in order to accelerate the mobilisation of the EGF.

Nature of the redundancies: Parliament noted that the sector of the manufacture of safety glass for the automotive industry has undergone serious economic disruption as a result of several factors, such as a decrease in the production of automotive safety glass in the Union, an increase in the market shares of competitors from non-Member States and an increase in imports of these products into the Union.

Limited opportunities: Parliament also noted that SGS Benelux's activities were closely linked to production trends in the automotive industry and that the socioeconomic situation of the area concerned and of its neighbouring areas (Charleroi, Namur) means that the workers made redundant by SGS Benelux have limited employment possibilities. It noted that the redundancies at SGS mainly concern production-line workers (83% of staff concerned have ‘ouvrier’ status). Parliament considered that in the context of the labour market situation in the affected region, **the dismissed workers will have to be retrained to find jobs in other occupations and/or other sectors**.

The resolution insisted on the need to enhance and encourage assistance with autonomy and ease of access at regional level to implement a bottom up ethos, empowering local solutions at a regional level where any situation which falls under the scope of the EGF might occur.

Package of personalised services: Parliament noted that the coordinated package of personalised services to be co-funded includes the following measures for the reintegration of the 257 redundant workers into employment (grouped by category): (1) individual job-search assistance, case management and general information services, (2) training and retraining and (3) promotion of entrepreneurship. It insisted on the need to enhance and encourage assistance with autonomy of workers. 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, the resolution also stressed that EGF assistance can co-finance only active labour market measures which lead to durable, long-term employment.