Basic information

2015/2018(BUD) BUD - Budgetary procedure	Procedure completed
Mobilisation of the European Globalisation Adjustment Fund: redundancies in the solar module producing in Germany **Subject** 3.40.06 Electronics, electrotechnical industries, ICT, robotics 4.15.05 Industrial restructuring, job losses, redundancies, relocations, Globalisation Adjustment Fund (EGF) 8.70.55 2015 budget **Geographical area** Germany FR	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
BUDG Budgets	HOFFMANN Iris (S&D)	14/01/2015
	Shadow rapporteur ŠULIN Patricija (PPE) PAET Urmas (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

European Commission

Commission DG	Commissioner

Budget	GEORGIEVA Kristalina

Key events

Date	Event	Reference	Summary
16/12/2014	Non-legislative basic document published	COM(2014)0726	Summary
28/01/2015	Committee referral announced in Parliament		
26/02/2015	Vote in committee		
02/03/2015	Budgetary report tabled for plenary	A8-0030/2015	Summary
09/03/2015	Draft budget approved by Council		
10/03/2015	Decision by Parliament	T8-0042/2015	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	2015/2018(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/8/02471

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE546.792	27/01/2015	
Amendments tabled in committee		PE549.281	17/02/2015	
Budgetary report tabled for plenary, 1st reading		A8-0030/2015	02/03/2015	Summary
Budgetary text adopted by Parliament		T8-0042/2015	10/03/2015	Summary

European Commission

Document type	Reference	Date	Summary
Non-legislative basic document	COM(2014)0726	16/12/2014	Summary

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

Final act	
Decision 2015/0473 OJ L 076 20.03.2015, p. 0062	Summary

Mobilisation of the European Globalisation Adjustment Fund: redundancies in the solar module producing in Germany

2015/2018(BUD) - 11/03/2015 - Final act

PURPOSE: to mobilise the European Globalisation Adjustment Fund (EGF) to assist Germany following redundancies in its solar modular producing industry.

NON-LEGISLATIVE ACT: Decision (EU) 2015/473 of the European Parliament and of the Council on the mobilisation of the European Globalisation Adjustment Fund (application *EGF/2014/014 DE/Aleo Solar*, from Germany).

CONTENT: with this Decision, the European Parliament and the Council have decided to mobilise the sum of **EUR 1 094 760** 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 Germany in respect of redundancies in *Aleo Solar AG* and two of its subsidiaries.

Given that the German application fulfils the conditions laid down in Regulation (EU) No 1309/2013 (EGF Regulation 2014-2020), the European Parliament and the Council 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**.

ENTRY INTO FORCE: 11.03.2015.

Mobilisation of the European Globalisation Adjustment Fund: redundancies in the solar module producing in Germany

2015/2018(BUD) - 02/03/2015 - Budgetary report tabled for plenary, 1st reading

The Committee on Budgets adopted the report by Iris HOFFMANN (S&D, DE) 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 1 094 760** to assist Germany affected by redundancies in the solar module producing 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.

German application: the German authorities submitted application EGF/2014/014 DE/Aleo Solar for a financial contribution from the EGF, following 657 redundancies, 390 from Aleo Solar AG, a company operating in the NACE 2 Division 26 'Manufacturing of computer, electronic and optical products',

and 267 from its two subsidiaries, with 476 persons expected to participate in the measures, during and after the reference period from 7 March 2014 to 7 July 2014. The conditions set out in Article 4(1)(a) of the EGF Regulation are met. Therefore, Germany is entitled to a financial contribution under that Regulation.

Members welcomed the fact that, in order to provide workers with speedy assistance, the German authorities decided to initiate the implementation of the personalised services to the affected workers on 11 April 2014, well ahead of the decision and even the application on granting the EGF support for the proposed coordinated package.

Nature of the redundancies: Members considered that the redundancies in Aleo Solar AG are linked to major structural changes in world trade patterns due to globalisation. The redundancies at Aleo Solar AG are expected to have a negative impact on the Prenzlau/Brandenburg region, where per capita income is well below the national average and the unemployment rate the highest in Germany with 15.5% and 16.4% respectively.

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 476 redundant workers into employment (vocational training, careers advice and guidance, peer groups/workshops, entrepreneurship advice, inter-regional advice for mobility, etc).

They noted that the authorities plan to utilise the maximum allowed 35% of all costs on allowances and incentives in the form of training allowances (Transferkurzarbeitergeld) constituting 60% or 67% of a worker's previous net income – depending on the household situation of the beneficiary – which is in line with the practice where workers become unemployed in Germany.

The training allowance is not a substitute for passive social protection measures.

Members also considered that workers in the 55-64 and 15-29 age groups are at a higher risk of prolonged unemployment and exclusion from the labour market. They considered therefore that these workers have specific needs when it comes to providing them with personalised approach.

They regretted that the risk of long-term unemployment for the redundant workers is high and stressed therefore the importance of measures encouraging workers to look beyond the immediate area and take up job offers which can be found in other regions. 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 solar module producing in Germany

2015/2018(BUD) - 16/12/2014 - Non-legislative basic document

PURPOSE: to mobilise the European Globalisation Adjustment Fund (EGF) to assist Germany following redundancies in its solar modular producing 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 (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').

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

Germany: EGF/2014/014 DE/Aleo Solar: the German authorities submitted application EGF/2014/014 DE/Aleo Solar for a financial contribution from the EGF, following redundancies in aleo solar AG and two subsidiaries in Germany.

The German authorities submitted the application within **12 weeks** of the date on which the intervention criteria set out below were met. The deadline expired on 16 December 2014.

In order to establish the link between the redundancies and major structural changes in world trade patterns due to globalisation, Germany states that aleo solar was a German company within the Robert Bosch Group, which is only one of many European solar enterprises that have become insolvent in the same sector.

According the conclusions of a 2011 study, the sector of activity increased by 79% from $21 billion to $36 billion (2005-2011) in a market where installations grew by 129%. However, Chinese and Taiwanese companies were able to grow revenue faster than German and US companies. Market share of German companies continued to slide. Thus, between 2005 and 2011, the revenue share of China increased from 11% to 45%, while that of Germany fell from 64% to 21%. The only other EU Member State with a production significant enough to be listed, is Spain with 1%.

Aleo solar in 2010 had a turnover of EUR 550 million and a profit of EUR 43 million. This declined rapidly from 2011 and by 2013 had reached losses of EUR 92 million. Employment in the company meanwhile declined from 995 in 2011 to 740 in 2013. Despite various efforts to restructure and improve

efficiency, it did not manage to return to profitability, and future prospects were no better. Aleo solar went into liquidation and closed or sold off its facilities, while some other German solar companies struggling with losses moved production to the Far East, e.g. Malaysia.

To date, solar module manufacturing has been the subject of two EGF applications (including this one), both of which were based on trade related globalisation.

The application relates to 657 workers made redundant in aleo solar AG and its two subsidiaries. Aleo solar operated in the economic sector classified under NACE Rev. 2 division 26 ('Manufacture of computer, electronic and optical products'). The redundancies made by the enterprises concerned are located in the NUTS level 2 regions of Brandenburg (DE 40) and Weser-Ems (DE 94).

Basis of the German application: the German authorities submitted the application under the intervention criteria 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 and / or self-employed persons' activity ceasing in its suppliers and downstream producers.

The application relates to 390 workers made redundant in aleo solar AG during the reference period of four months, and 267 workers made redundant in its two subsidiaries during the same reference period.

The Commission therefore proposes to mobilise the EGF for the amount of **EUR 1 094 760**.

FINANCIAL 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 1 094 760, 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 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 solar module producing in Germany

2015/2018(BUD) - 10/03/2015 - Budgetary text adopted by Parliament

The European Parliament adopted by 466 votes to 80, with 68 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 1 094 760** to assist Germany affected by redundancies in the solar module producing industry.

Parliament 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.

German application: the German authorities submitted application EGF/2014/014 DE/Aleo Solar for a financial contribution from the EGF, following 657 redundancies, 390 from Aleo Solar AG, a company operating in the NACE 2 Division 26 'Manufacturing of computer, electronic and optical products', and 267 from its two subsidiaries, with 476 persons expected to participate in the measures, during and after the reference period from 7 March 2014 to 7 July 2014. The conditions set out in Article 4(1)(a) of the EGF Regulation are met.

Therefore, **Germany is entitled to a financial contribution under that Regulation**.

Parliament welcomed the fact that, in order to provide workers with speedy assistance, the German authorities decided to initiate the implementation of the personalised services to the affected workers on 11 April 2014, well ahead of the decision and even the application on granting the EGF support for the proposed coordinated package.

Nature of the redundancies: Parliament considered that the redundancies in Aleo Solar AG are linked to major structural changes in world trade patterns due to globalisation. The redundancies are expected to have a negative impact on the Prenzlau/Brandenburg region, where per capita income is well below the national average and the unemployment rate the highest in Germany with 15.5% and 16.4% respectively.

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 476 redundant workers into employment (vocational training, careers advice and guidance, peer groups/workshops, entrepreneurship advice, inter-regional advice for mobility, etc).

Parliament welcomed the fact that the co-ordinated package of personalised services has been drawn up in consultation with the representatives of the targeted beneficiaries, taking into consideration the potential of the area and the business environment.

It noted that the authorities plan to utilise the maximum allowed 35% of all costs on allowances and incentives in the form of training allowances (Transferkurzarbeitergeld) constituting 60% or 67% of a worker's previous net income – depending on the household situation of the beneficiary – which is in line with the practice where workers become unemployed in Germany.

The training allowance is not a substitute for passive social protection measures.

Parliament also considered that **workers in the 55-64 and 15-29 age groups are at a higher risk of prolonged unemployment** and exclusion from the labour market. It considered therefore that these workers have specific needs when it comes to providing them with personalised approach.

It regretted that the risk of long-term unemployment for the redundant workers is high and stressed therefore the importance of measures encouraging workers to look beyond the immediate area and take up job offers which can be found in other regions. The resolution 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.