Basic information

2015/2019(BUD) BUD - Budgetary procedure	Procedure completed
Mobilisation of the European Globalisation Adjustment Fund: redundancies in the steel sector in Belgium **Subject** 3.40.02 Iron and steel industry, metallurgical industry 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	PLENKOVIĆ Andrej (PPE)	14/01/2015
	Shadow rapporteur GARDIAZABAL RUBIAL Eider (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

European

Commission DG	Commissioner

Commission	Budget	GEORGIEVA Kristalina

Key events

Date	Event	Reference	Summary
09/12/2014	Non-legislative basic document published	COM(2014)0725	Summary
28/01/2015	Committee referral announced in Parliament		
26/02/2015	Vote in committee		
02/03/2015	Budgetary report tabled for plenary	A8-0031/2015	Summary
09/03/2015	Draft budget approved by Council		
10/03/2015	Decision by Parliament	T8-0043/2015	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	2015/2019(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/8/02467

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE546.791	23/01/2015	
Amendments tabled in committee		PE549.297	16/02/2015	
Budgetary report tabled for plenary, 1st reading		A8-0031/2015	02/03/2015	Summary
Budgetary text adopted by Parliament		T8-0043/2015	10/03/2015	Summary

European Commission

Document type	Reference	Date	Summary
Non-legislative basic document	COM(2014)0725	09/12/2014	Summary

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

Final act	
Decision 2015/0468 OJ L 076 20.03.2015, p. 0052	Summary

Mobilisation of the European Globalisation Adjustment Fund: redundancies in the steel sector in Belgium

2015/2019(BUD) - 02/03/2015 - Budgetary report tabled for plenary, 1st reading

The Committee on Budgets adopted the report by Andrej PLENKOVIĆ (EPP, HR) 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 981 956** in commitment and payment appropriations to assist Belgium affected by redundancies in its steel 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.

Belgian application: Belgium submitted application EGF/2013/007 BE/Hainaut steel for a financial contribution from the EGF following 708 redundancies in two companies, linked to the closure of Duferco and to staff reductions at NLMK, operating in the NACE 2 Division 24 'Manufacturing of basic metals', and both located in La Louvière in the Hainaut region. The redundancies took place during the reference period from 22 January 2013 to 22 October 2013 and are linked to a decline of the Union's market share in in the sector of steel production.

Members noted that the conditions set out in Article 2(b) of the EGF Regulation are met. Therefore, Belgium is entitled to a financial contribution under that Regulation.

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 1 June 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 considered that the redundancies at Duferco and NLMK are expected to have a negative impact on the Hainaut region, a former coal-mining and steelmaking area in which employment is strongly dependant on traditional heavy industry and on the public sector, where in 2012 the unemployment rate was 17.7%, compared to 15.8% on average in Wallonia and 11.2% at national level and peaked at 39% for the persons aged from 18 to 25. Members highlighted that the low level of qualification of jobseekers (51% do not have higher secondary education, compared to 47% in Wallonia) is an additional difficulty for the job search.

A package of personalised services: Members noted that the coordinated package of personalised services to be co-funded includes following measures for the reintegration of 701 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.

Members also noted that, in the context of the economic situation and the number of redundancies in the metallurgic industry in the region, in order to find a new job in that region, the workers from Duferco and NLMK will have to retrain to find jobs in other occupations and other sectors. They stated that the proposed measures also target a group of managers of the companies concerned. 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 steel sector in Belgium

2015/2019(BUD) - 09/12/2014 - Non-legislative basic document

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

On 27 September 2013, Belgium submitted application EGF/2013/007 BE/Hainaut steel (Duferco-NLMK) for a financial contribution from the EGF, following redundancies linked to the closure of Duferco Belgium SA ('Duferco') and to staff reductions at NLMK La Louvière SA ('NLMK') which are both located in La Louvière.

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

Belgium: EGF/2013/007 BE/Hainaut steel (Duferco-NLMK): on 27 September 2013, Belgium submitted the application. It was supplemented 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 production of steel has undergone serious economic disruption, in particular a rapid decline of the EU's market share. According to data referred to by the Belgian authorities, between 2006 and 2011, the production of crude steel in the EU-27 decreased from 206.9 million tonnes to 177.7 million tonnes (− 14.1 %; − 3.0 % annual growth), whereas, at worldwide level, production increased from 1 249.0 million tonnes to 1 518.3 million tonnes (+ 21.6 %; + 4.0 % annual growth). This has led to a decrease of the EU-27's market share in the production of crude steel, measured in volume terms, from 16.6 % in 2006 to 11.7 % in 2011 (− 29.4 %; − 6.7 % annual growth).

By comparison, during the same period, China's market share increased from 33.7 % to 45.0 % (+ 33.6 %; + 6.0 % annual growth), whereas the market shares of the five other largest producers (which account together for around 25 % to 30 % of worldwide production) either decreased, although to a lesser extent than for the EU-27 (Japan, USA, Russia), or increased moderately (South Korea, India). These data therefore show a rapid decline of the EU's market share in the sector of the production of crude steel at worldwide level.

The effects of these changes in trade patterns have been worsened by other factors such as a decrease in demand in steel in the automotive and construction sectors in the EU as a consequence of the economic crisis and a relative increase of production costs (raw materials, energy, environmental constraints, etc.). These factors have harmed the competiveness of the EU's steel industry and have led to a high number of job losses in the steel sector in recent years due to plant closures and restructuring by several steel manufacturers in Europe. For instance, between 2008 and 2013, the number of persons employed in the metallurgic industry (NACE Rev. 2 division 24 'Manufacture of basic metals') in the EU-27 decreased by around 280 000 from 1.44 million to 1.16 million (− 19.4 %).

Since the start of the EGF in 2007, there have been four EGF applications in the steel sector.

Belgium introduced its application under the intervention criteria of Article 2(b) of the EGF Regulation, which requires at least 500 redundancies over a period of nine months in enterprises operating in the same economic sector defined at NACE Rev. 2 division level and located in one region or two contiguous regions defined at NUTS 2 level in a Member State.

The application relates to 708 redundancies made during a period of nine months from 22 January 2013 to 22 October 2013 (which includes 381 redundancies at Duferco and 327 redundancies at NLMK). Duferco and NLMK are located in the same NUTS level 2 region (BE32 Prov. Hainaut) and operate in the same sector of economic activity (NACE Rev. 2 division 24 'Manufacture of basic metals').

On the basis of the application from Belgium, the proposed contribution from the EGF to the coordinated package of personalised services is **EUR 981 956**, 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 steel sector in Belgium

2015/2019(BUD) - 11/03/2015 - Final act

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

NON-LEGISLATIVE ACT: Decision (EU) 2015/468 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/2013/007 BE /Hainaut steel (Duferco-NLMK*), from Belgium).

CONTENT: with this Decision, the European Parliament and the Council have decided to mobilise the sum of **EUR 981 956** 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 enterprises *Duferco Belgium SA and NLMK La Louvière 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 steel sector in Belgium

2015/2019(BUD) - 10/03/2015 - Budgetary text adopted by Parliament

The European Parliament adopted by 534 votes to 77, with 12 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 981 956** in commitment and payment appropriations to assist Belgium affected by redundancies in its steel 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.

Belgian application: Belgium submitted application EGF/2013/007 BE/Hainaut steel for a financial contribution from the EGF following 708 redundancies in two companies, linked to the closure of Duferco and to staff reductions at NLMK, operating in the NACE 2 Division 24 'Manufacturing of basic metals', and both located in La Louvière in the Hainaut region. The redundancies took place during the reference period from 22 January 2013 to 22 October 2013 and are linked to a decline of the Union's market share in in the sector of steel production.

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

It also 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 1 June 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 considered that the redundancies in Duferco and NLMK are linked to major structural changes in world trade patterns due to globalisation, given that the steel production sector has undergone serious economic disruption, in particular a **rapid decline in the EU's market share**. Futhermore, as a consequence of the economic crisis and a relative increase in production costs, world trade patterns were worsened by other factors such as a decline in demand for steel in the automotive and construction sector.

It also considered that the redundancies are expected to have a negative impact on the Hainaut region, a former coal-mining and steelmaking area in which employment is strongly dependant on traditional heavy industry and on the public sector, where in 2012 the unemployment rate was 17.7%, compared to 15.8% on average in Wallonia and 11.2% at national level and peaked at 39% for the persons aged from 18 to 25. Members highlighted that the low level of qualification of jobseekers (51% do not have higher secondary education, compared to 47% in Wallonia) is an additional difficulty for the job search. Overall, Parliament noted that, in the context of the economic situation and the number of redundancies in the metallurgic industry in the region, in order to find a new job in that region, the workers from Duferco and NLMK will have to retrain to find jobs in other occupations and other sectors. It stated that the proposed measures also target a group of managers of the companies concerned

A package of personalised services: Parliament stressed that the coordinated package of personalised services to be co-funded includes following measures for the reintegration of 701 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 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. It also stressed that EGF assistance can co-finance only active labour market measures which lead to durable, long-term employment.

Lastly, Parliament noted that measures which are mandatory under collective redundancy procedures in Belgium and which are carried out as part of the standard activities of the Redeployment Units (e.g. outplacement support, training, job-search assistance and careers advice, etc.) are not included

in this EGF application. More than half of the total estimated costs are to be spent on redeployment services, namely support, guidance and integration measures.