Basic information

2015/2021(BUD) BUD - Budgetary procedure	Procedure completed
Mobilisation of the European Globalisation Adjustment Fund: redundancies in the manufacturing of machinery in Belgium **Subject** 3.40.08 Mechanical engineering, machine-tool 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	JÄÄTTEENMÄKI Anneli (ALDE)	14/01/2015
	Shadow rapporteur NOVAKOV Andrey (PPE) GARDIAZABAL RUBIAL Eider (S&D) 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)0735	Summary
28/01/2015	Committee referral announced in Parliament		
26/02/2015	Vote in committee		
02/03/2015	Budgetary report tabled for plenary	A8-0033/2015	Summary
09/03/2015	Draft budget approved by Council		
10/03/2015	Decision by Parliament	T8-0045/2015	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	2015/2021(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/8/02469

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE546.790	23/01/2015	
Amendments tabled in committee		PE549.298	17/02/2015	
Budgetary report tabled for plenary, 1st reading		A8-0033/2015	02/03/2015	Summary
Budgetary text adopted by Parliament		T8-0045/2015	10/03/2015	Summary

European Commission

Document type	Reference	Date	Summary
Non-legislative basic document	COM(2014)0735	09/12/2014	Summary

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

Final act	
Decision 2015/0471 OJ L 076 20.03.2015, p. 0058	Summary

Mobilisation of the European Globalisation Adjustment Fund: redundancies in the manufacturing of machinery in Belgium

2015/2021(BUD) - 11/03/2015 - Final act

PURPOSE: to mobilise the European Globalisation Adjustment Fund (EGF) to assist Belgium following redundancies in the sector of machinery manufacturing.

NON-LEGISLATIVE ACT: Decision (EU) 2015/471 of the European Parliament and of the Council on the mobilisation of the European Globalisation Adjustment Fund (application *EGF/2014/011 BE/Caterpillar*, from Belgium).

CONTENT: with this Decision, the European Parliament and the Council have decided to mobilise the sum of **EUR 1 222 854** 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 *Caterpillar Belgium S.A.*

Given that the Belgian 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 manufacturing of machinery in Belgium

2015/2021(BUD) - 09/12/2014 - Non-legislative basic document

PURPOSE: to mobilise the European Globalisation Adjustment Fund (EGF) to assist Belgium following redundancies in the sector of machinery manufacturing.

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 Belgium and concluded the following:

Belgium: EGF/2014/011 BE/Caterpillar: the Belgian authorities submitted application EGF/2014/011 BE/Caterpillar for a financial contribution from the EGF, following redundancies in Caterpillar Belgium S.A. in Belgium.

The Belgian authorities submitted the application within **12 weeks** of the date on which the intervention criteria set out below were met. The deadline expired on 9 December 2014.

In order to establish the link between the redundancies and cessations of activity and major structural changes in world trade patterns due to globalisation, Belgium states that Caterpillar has been strongly affected by declining demands for this type of products in Europe, which has led to the delocalisation to third countries of substantial production capacity. Caterpillar's Gosselies plant specialises in car assembly, production of components, soldered assemblies and structures. Its products are exclusively directed at the European construction and mining sectors. These trends have resulted in falling market shares for the Caterpillar Gosselies production facility and a declining competitiveness towards competitors in other parts of the world.

Since 2007, the Caterpillar Group has established plants in emerging economies in Asia and Latin America, and its growth is mainly linked to these markets. In particular, Asia's share of Caterpillar's sales has more than doubled between 2007 and 2013. This is linked to the overall growth of the Asian economies, especially in China and India, and the construction industry in these countries. On the other hand, the main market for Caterpillar Gosselies, the European Union, is depending on public and private investments in infrastructure in Europe which have recently been reduced. This helps explain that an already decreasing amount of new orders plummeted further by 40 % in 2011, according to the Belgian authorities.

To date, the 'Manufacture of machinery and equipment n.e.c' sector has been the subject of 12 EGF applications, 6 of which were based on trade related globalisation and 6 on the global financial and economic crisis.

Basis of the Belgian application: the Belgian 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.

The application relates to 663 workers made redundant in the enterprise during the reference period from 1 January 2014 to 30 April 2014.

On the basis of the application from Belgium, the proposed contribution from the EGF to the coordinated package of personalised services is **EUR 1 222 854.**

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 1 222 854, 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 to the European Parliament and to the Council a proposal for a transfer to the relevant budgetary line for the amount requested.

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 manufacturing of machinery in Belgium

2015/2021(BUD) - 02/03/2015 - Budgetary report tabled for plenary, 1st reading

The Committee on Budgets adopted the report by Anneli JÄÄTTEENMÄKI (ADLE, FI) 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 1 222 854** in commitment and payment appropriations to assist Belgium affected by redundancies in the manufacturing of machinery 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/2014/011 BE/Caterpillar for a financial contribution from the EGF, following 1030 redundancies in Caterpillar Belgium S.A. a company operating in the NACE 2 Division 28 'Manufacture of machinery and equipment n.e.c', with 630 persons

expected to participate in the measures, during and after the reference period from 1 January 2014 to 30 April 2014, linked to a decline in demand in Europe. They noted that the conditions set out in Article 4(1)(a) 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 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 regretted that many of the unemployed persons in the Charleroi region are low skilled (59% do not have upper secondary education) and that 43% have been unemployed for more than 2 years. They also regretted that the employment rate in Charleroi is among the lowest in the Wallonia region at 52.26%. They stated that the redundancies at Caterpillar are expected to have huge negative impacts on the Charleroi region, which is facing a very difficult labour market situation due to its over-reliance on traditional industrial employment and lack of new industries. The report pointed out that the low qualification level of the workers made redundant makes it difficult for them to find a new job in an adverse economic context.

They noted that 18% of the targeted redundant workers expected to participate in the measures are threatened by labour market exclusion as they are part of the 55-64 age group.

A package of personalised services: Members noted that the coordinated package of personalised services to be co-funded covers three main areas: redeployment, training and retraining and promotion of entrepreneurship.

They noted that more than half of the total estimated costs are to be spent on redeployment services, namely support, guidance and integration measures. They noted that these services will be provided by FOREM (the public employment and training service of the Walloon Region), which acts as an intermediary body in the implementation of this application.

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

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 manufacturing of machinery in Belgium

2015/2021(BUD) - 10/03/2015 - Budgetary text adopted by Parliament

The European Parliament adopted by 551 votes to 76, with 16 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 1 222 854** in commitment and payment appropriations to assist Belgium affected by redundancies in the manufacturing of machinery sector.

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

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Parliament advocated the future use of the provisions of the EGF Regulation to **support young people not in employment, education or training** (NEETs) in this region.

A package of personalised services: Parliament noted that the coordinated package of personalised services to be co-funded covers three main areas: redeployment, training and retraining and promotion of entrepreneurship. It noted that more than half of the total estimated costs are to be spent on redeployment services, namely support, guidance and integration measures. Members stated that these services will be provided by FOREM (the public employment and training service of the Walloon Region), which acts as an intermediary body in the implementation of this application.

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

Lastly, Parliament welcomed that financial support from the European Social Fund was in the past awarded to a project (En Train – En Transition-Reconversion-Accompagnement) which aimed to develop pedagogical methods for Redeployment Units in general and that the findings of this project are likely to prove useful in the implementation of the planned measures.