Basic information

2015/2125(BUD) BUD - Budgetary procedure	Procedure completed
Mobilisation of the European Globalisation Adjustment Fund: redundancies in the electronics industry in Finland **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	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
BUDG Budgets	SARVAMAA Petri (PPE)	03/06/2015
	Shadow rapporteur GARDIAZABAL RUBIAL Eider (S&D) KÖLMEL Bernd (ECR) TORVALDS Nils (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
Agriculture and Fisheries	3402	2015-07-13

European Commission

Commission DG	Commissioner
Budget	GEORGIEVA Kristalina

Key events

Date	Event	Reference	Summary
02/06/2015	Non-legislative basic document published	COM(2015)0232	Summary
08/06/2015	Committee referral announced in Parliament		
23/06/2015	Vote in committee		
25/06/2015	Budgetary report tabled for plenary	A8-0210/2015	Summary
08/07/2015	Decision by Parliament	T8-0262/2015	Summary
08/07/2015	Results of vote in Parliament		
13/07/2015	Draft budget approved by Council		
13/07/2015	End of procedure in Parliament		
28/08/2015	Final act published in Official Journal		

Technical information

Procedure reference	2015/2125(BUD)
Procedure type	BUD - Budgetary procedure
Procedure subtype	Mobilisation of funds
Stage reached in procedure	Procedure completed
Committee dossier	BUDG/8/03625

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE560.558	03/06/2015	
Amendments tabled in committee		PE560.767	17/06/2015	
Budgetary report tabled for plenary, 1st reading		A8-0210/2015	25/06/2015	Summary
Budgetary text adopted by Parliament		T8-0262/2015	08/07/2015	Summary

European Commission

Document type	Reference	Date	Summary
Non-legislative basic document	COM(2015)0232	02/06/2015	Summary

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

Final act	
Decision 2015/1477 OJ L 225 28.08.2015, p. 0014	Summary

Mobilisation of the European Globalisation Adjustment Fund: redundancies in the electronics industry in Finland

2015/2125(BUD) - 17/07/2015 - Final act

PURPOSE: to mobilise the European Globalisation Adjustment Fund to assist Finland in respect of redundancies its electronics industry (mobile phone chipsets).

NON-LEGISLATIVE ACT: Decision (EU) 2015/1477 of the European Parliament and of the Council on the mobilisation of the European Globalisation Adjustment Fund (application from Finland — EGF/2015/001 FI/Broadcom).

CONTENT: under this Decision, the European Parliament and the Council decided to mobilise an amount of **EUR 1 365 000** in commitment appropriations and payment appropriations under the Global Adjustment Fund in the framework of the 2015 budget.

This amount shall assist Finland in respect of redundancies in Broadcom Communications Finland and two of its suppliers or downstream producers in Finland.

Given that that the Finnish application complies with the requirements laid down in Regulation (EU) No 1309/2013 (EGF Regulation 2014-2020), the European Parliament and the Council decided to mobilise the amount requested.

To recall, the European Globalisation Adjustment Fund (EGF) aims 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, or as a result of a new global financial and economic crisis, and to assist them with their reintegration into the labour market.

The EGF is not to exceed a maximum annual amount of **EUR 150 million**, as laid down in Council Regulation (EU, Euratom) No 1311/2013.

ENTRY INTO FORCE: 28.8.2015. The Decision shall apply from 17 July 2015.

Mobilisation of the European Globalisation Adjustment Fund: redundancies in the electronics industry in Finland

2015/2125(BUD) - 25/06/2015 - Budgetary report tabled for plenary, 1st reading

The Committee on Budgets adopted the report by Petri SARVAMAA (EPP, 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 the amount of **EUR 1 365 000** in commitment and payments appropriations to assist Finland in respect of redundancies its electronics industry (mobile phone chipsets).

Members recalled that the Union has 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 or of the global financial and economic crisis and to assist their reintegration into the labour market.

Finnish application: Finland submitted application EGF/2015/001 FI/Broadcom for a financial contribution from the EGF following 568 redundancies in Broadcom Communications Finland, operating in the NACE Rev. 2 division 46 ('Wholesale trade, except of vehicles and motorcycles'), and 2 suppliers or downstream producers.

Members agreed with the Commission that the conditions set out in Article 4(1)(a) of the EGF Regulation are met and that, therefore, **Finland is entitled to a financial contribution under that Regulation**.

Members noted that the Finnish authorities submitted the application for an EGF financial contribution on 30 January 2015, and that its assessment was made available by the Commission on 2 June 2015 and welcomed the speedy evaluation.

They noted with satisfaction that, in order to provide workers with speedy assistance, the Finnish authorities decided to initiate the implementation of the personalised services to the affected workers on 11 August 2014, well ahead of the decision and even the application on the granting the EGF support for the proposed coordinated package.

Nature of the redundancies: Members considered that the redundancies in Broadcom are partly linked to the trend that affects the entire Finnish electronics industry and culminated in Nokia's announcement of large-scale redundancies in 2011. These redundancies will further aggravate the unemployment situation particularly in the region of Northern Ostrobothnia, where 424 of the 568 redundancies occurred (a region the unemployment rate is consistently a couple of percentage points higher than the national average).

A package of personalised services: Members noted that Finland is planning three types of measures for the redundant workers covered by this application: (i) helping them to transfer to a new job, (ii) helping them to start their own business, and (iii) providing training or education. They noted that the authorities plan to use 17.46% of all costs on allowances and incentives in the form of pay subsidies (as part of the salary for each employment relationship established for a targeted worker) and allowances for travel, overnight and removal costs, which amounts to half of the maximum allowed 35% of all costs for such measures.

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.

Whilst welcoming the complementarity of the proposed EGF interventions with other actions funded by national or Union funds, Members stressed that the Finnish authorities confirm that the eligible actions **do not receive assistance from other Union financial instruments**. Lastly, they reiterated their call to the Commission to present a comparative evaluation of those data in its annual reports in order to ensure full respect of the existing regulations and that no duplication of Union funded services can occur.

Mobilisation of the European Globalisation Adjustment Fund: redundancies in the electronics industry in Finland

2015/2125(BUD) - 02/06/2015 - Non-legislative basic document

PURPOSE: to mobilise the European Globalisation Adjustment Fund to assist Finland in respect of redundancies its electronics industry (mobile phone chipsets).

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.

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

Finland: EGF/2015/001 FI/Broadcom: on 30 January 2015, Finland submitted an application EGF/2015/001 FI/Broadcom for a financial contribution from the EGF, following redundancies in Broadcom Communications Finland and two suppliers or downstream producers in Finland.

Finland submitted its application within the **12 week deadline** laid down in the Regulation. The deadline within which the Commission should finalise its assessment of the application's compliance with the conditions for providing a financial contribution expires on 19 June 2015.

In order to establish the link between the redundancies and major structural changes in world trade patterns due to globalisation, Finland argues that in 2005, it is estimated that chipset development (the area in which Broadcom Communications Finland was active) provided employment for some 5 000 people in Europe. While the number of product development personnel in the industry increased globally (particularly in Asia and in the USA), it had dropped steeply in Europe where, by 2014, only a few hundred people were left.

The redundancies at Broadcom are linked with the trend that affects the entire Finnish electronics industry and culminated in Nokia's announcement of large-scale redundancies in 2011, 2012 and spring 2013.

To date, the NACE Revision 2 Division 46 (Wholesale trade, except of motor vehicles and motorcycles) has been the subject of two EGF applications (the other being EGF/2010/012 NL/Noord Holland ICT), both of which for ICT and based on trade related globalisation.

Basis of the Finnish application: Finland 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 over a reference period of four months in an enterprise in a Member State, including workers made redundant by suppliers and downstream producers and/or self-employed persons whose activity has ceased.

The reference period of four months for the application runs from 11 August 2014 to 11 December 2014.

The redundancies during the reference period are as follows:

- 563 workers made redundant in Broadcom Communications Finland;
- 5 workers made redundant in two suppliers or downstream producers of Broadcom.

The total number of eligible beneficiaries is therefore 568.

Having examined this application, the proposed contribution from the EGF to the coordinated package of personalised services is **EUR 1 365 000**.

BUDGETARY 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 1 365 000, 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 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 electronics industry in Finland

2015/2125(BUD) - 08/07/2015 - Budgetary text adopted by Parliament

The European Parliament adopted by 589 votes to 78, with 10 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 the amount of **EUR 1 365 000** in commitment and payments appropriations to assist Finland in respect of redundancies its electronics industry, notably mobile phone chipsets (application EGF/2015/001 FI /Broadcom, from Finland).

Parliament recalled that the Union has 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 or of the global financial and economic crisis and to assist their reintegration into the labour market.

Finnish application: Finland submitted application EGF/2015/001 FI/Broadcom for a financial contribution from the EGF following 568 redundancies in Broadcom Communications Finland, operating in the NACE Rev. 2 division 46 ('Wholesale trade, except of vehicles and motorcycles'), and 2 suppliers or downstream producers.

Parliament agreed with the Commission that the conditions set out in Article 4(1)(a) of the EGF Regulation are met and that, therefore, **Finland is entitled to a financial contribution under that Regulation**.

Parliament noted that the Finnish authorities submitted the application for an EGF financial contribution on 30 January 2015, and that its assessment was made available by the Commission on 2 June 2015 and welcomed the speedy evaluation.

It noted with satisfaction that, in order to provide workers with speedy assistance, the Finnish authorities decided to initiate the implementation of the personalised services to the affected workers on 11 August 2014, well ahead of the decision and even the application on the granting the EGF support for the proposed coordinated package.

Nature of the redundancies: Parliament considered that the redundancies in Broadcom are partly linked to the trend that affects the entire Finnish electronics industry and culminated in Nokia's announcement of large-scale redundancies in 2011. These redundancies will further aggravate the unemployment situation particularly in the region of Northern Ostrobothnia, where 424 of the 568 redundancies occurred (a region the unemployment rate is consistently a couple of percentage points higher than the national average). Parliament noted that in August 2014, while the national unemployment rate was 12.2%, in Northern Ostrobothnia it was 14.1% and in the most affected city, Oulu, it was 16.1% and that the same region was strongly affected by the **large-scale Nokia redundancies from 2011 onwards**.

A package of personalised services: Parliament noted that Finland is planning three types of measures for the redundant workers covered by this application: (i) helping them to transfer to a new job, (ii) helping them to start their own business, and (iii) providing training or education. It noted that the authorities plan to use 17.46% of all costs on allowances and incentives in the form of pay subsidies (as part of the salary for each employment relationship established for a targeted worker) and allowances for travel, overnight and removal costs, which amounts to half of the maximum allowed 35% of all costs for such measures.

Anticipating employment needs: Parliament 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 recalled that, in line with Article 7 of the EGF Regulation, the design of the coordinated package of personalised services should anticipate future labour market perspectives and required skills and should be compatible with the shift towards a resource-efficient and sustainable economy.

Whilst welcoming the complementarity of the proposed EGF interventions with other actions funded by national or Union funds, Parliament stressed that the Finnish authorities confirm that the eligible actions **do not receive assistance from other Union financial instruments**. Lastly, it reiterated its call to the Commission to present a comparative evaluation of those data in its annual reports in order to ensure full respect of the existing regulations and that no duplication of Union funded services can occur.