Basic information

2015/2208(BUD) BUD - Budgetary procedure	Procedure completed
Mobilisation of the European Globalisation Adjustment Fund: redundancies in the automotive industry in Germany **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** Germany FR	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
BUDG Budgets	GEIER Jens (S&D)	03/09/2015
	Shadow rapporteur ŠULIN Patricija (PPE) KÖLMEL Bernd (ECR) ARTHUIS Jean (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	3412	2015-10-05

European Commission	Commission DG	Commissioner
	Budget	GEORGIEVA Kristalina

Key events

Date	Event	Reference	Summary
14/07/2015	Non-legislative basic document published	COM(2015)0342	Summary
07/09/2015	Committee referral announced in Parliament		
29/09/2015	Vote in committee		
30/09/2015	Budgetary report tabled for plenary	A8-0273/2015	Summary
05/10/2015	Draft budget approved by Council		
06/10/2015	Decision by Parliament	T8-0333/2015	Summary
06/10/2015	Results of vote in Parliament		
06/10/2015	End of procedure in Parliament		
20/10/2015	Final act published in Official Journal		

Technical information

Procedure reference	2015/2208(BUD)
Procedure type	BUD - Budgetary procedure
Procedure subtype	Mobilisation of funds
Stage reached in procedure	Procedure completed
Committee dossier	BUDG/8/04320

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE565.193	01/09/2015	
Amendments tabled in committee		PE567.719	16/09/2015	
Budgetary report tabled for plenary, 1st reading		A8-0273/2015	30/09/2015	Summary
Budgetary text adopted by Parliament		T8-0333/2015	06/10/2015	Summary

European Commission

Document type	Reference	Date	Summary
Non-legislative basic document	COM(2015)0342	14/07/2015	Summary

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

Final act	
Decision 2015/1871 OJ L 275 20.10.2015, p. 0028	Summary

Mobilisation of the European Globalisation Adjustment Fund: redundancies in the automotive industry in Germany

2015/2208(BUD) - 30/09/2015 - Budgetary report tabled for plenary, 1st reading

The Committee on Budgets adopted the report by Jens GEIER (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 6 958 623 in commitment and payment appropriations in order to assist Germany following redundancies in its 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.

German application: Germany submitted application EGF/2015/002 DE/Adam Opel for a financial contribution from the EGF following 2 881 redundancies in Adam Opel AG, operating in the NACE Rev. 2 division 29 ('Manufacture of motor vehicles, trailers and semi-trailers') and 1 supplier. Members noted that the conditions set out in Article 4(1)(a) of the EGF Regulation are met. Therefore, Germany is entitled to a financial contribution of EUR 6 958 623 under that Regulation.

Nature of the redundancies: manufacturers of small and medium-sized vehicles of the medium-price segment have been hit particularly hard and that Adam Opel AG, being one of the major players in the medium-price segment of small and medium-sized vehicles, has thus been hit particularly hard by the crisis. Furthermore, Adam Opel AG was disadvantaged by the owning enterprise General Motors, which allowed Opel to sell only within Europe, thus excluding Opel from emerging markets on other continents. Germany is of the opinion that austerity policies imposed in European countries contributed to the dramatic drop in sales by Opel/Vauxhall.

A package of personalised services: Members noted that the German authorities decided to initiate the implementation of the personalised services to the affected workers on 1 January 2015, well ahead of the decision and even the application on the granting the EGF support for the proposed coordinated package. Germany is planning the following measures for the redundant workers covered by this application: (i) vocational training measures, (ii) career guidance, (ii) peer groups/workshops, business start-up advisory service, (iv) job search/job fairs, (v) mentoring and advisory services and training allowances. The coordinated package of personalised services has been drawn up in consultation with the social partners through the creation of transfer companies.

The report noted that the authorities plan to utilise the maximum allowed 35% of total costs for the coordinated package of personalised services on allowances and incentives in form of training allowance constituting 60% or 67% of the worker previous net income – depending on the household situation of the beneficiary.

Recalling 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, Members expect 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.

The German authorities confirmed that the eligible actions do not receive assistance from other Union financial instruments. Members reiterated their call to the Commission to present a comparative evaluation of those data in its annual reports in order to ensure full respect for existing regulations and that no duplication of Union-funded services can occur.

Lastly, Members appreciated the improved procedure put in place by the Commission, following the Parliament's request for the accelerated release of grants and noted the time pressure that the new timetable implies and the potential impact on the effectiveness of case instruction.

Mobilisation of the European Globalisation Adjustment Fund: redundancies in the automotive industry in Germany

2015/2208(BUD) - 06/10/2015 - Final act

PURPOSE: to mobilise the European Globalisation Adjustment Fund (EGF) to come to the aid of Germany which is confronted by redundancies in its car industry.

NON-LEGISLATIVE ACT: Decision (EU) 2015/1871 of the European Parliament and of the Council on the mobilisation of the European Globalisation Adjustment Fund (application from Germany — EGF/2015/002 DE/Adam Opel).

CONTENT: with this Decision, the European Parliament and Council decide to mobilise the sum of **EUR 6 958 623** in commitment and payment appropriations from the European Globalisation Adjustment Fund for the general budget for the financial year 2015.

This sum is intended to assist Germany following redundancies in Adam Opel AG and one supplier in Germany.

Noting that the application complies with the requirements for determining a financial contribution from the EGF as laid down in Regulation (EU) No 1309/2013 (EGF Regulation 2014-2020), Parliament and Council decided to respond by granting the above amount.

To recall, the European Globalisation Adjustment Fund 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: 20.10.2015. The Decision is applicable from 6.10.2015.

Mobilisation of the European Globalisation Adjustment Fund: redundancies in the automotive industry in Germany

2015/2208(BUD) - 14/07/2015 - Non-legislative basic document

PURPOSE: to mobilise the European Globalisation Adjustment Fund (EGF) to assist Germany following redundancies in its 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 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 Commission examined the application for mobilisation of the EGF to assist Germany and concluded the following:

Germany: EGF/2015/002 DE/Adam Opel: on 26 February 2015, Germany submitted application EGF/2015/002 DE/Adam Opel for a financial contribution from the EGF, following redundancies in Adam Opel AG and one supplier in Germany.

Germany submitted its application within **12 weeks** of the date on which the intervention criteria set out in the EGF Regulation were met. The deadline of 12 weeks of the receipt of the complete application within which the Commission should finalise its assessment of the application's compliance with the conditions for providing a financial contribution expires on 16 July 2015.

In order to establish the link between the redundancies and the global financial and economic crisis, Germany argues that due to the crisis, the number of cars sold in Europe is the lowest since 1997. In Western Europe sales dropped dramatically and reached a 20-year record low. As a consequence of the financial and economic crisis, the number of newly registered cars in the EU and EFTA Member States saw a 25 % drop between 2007 and 2013.

The German Automobile Manufacturers Association (*Verband* der *Automobilindustrie*) reports a sharp drop in market share for all relevant manufacturers on the European market of small and medium-sized vehicles within the medium-price segment, such as Opel, Fiat, PSA, Renault (excluding Dacia), Ford and Toyota, since 2007. In addition to the overall drop in car sales, a shift from medium-priced vehicles to economy vehicles could be observed. The sharp drop in overall car sales can be attributed to the ongoing economic and financial crisis.

As a consequence of the sharp decline of car sales, Adam Opel AG faced the problem of overcapacities. Adam Opel AG currently operates five plants for the production of Opel and Vauxhall cars in Europe: two in Germany (the third plant, Bochum, has been shut down since 31 December 2014 and is the subject of this proposal), and one each in Poland, the United Kingdom and Spain

To date, the NACE Revision 2 Division 29 sector (Manufacture of motor vehicles, trailers and semi-trailers) has been the subject of 21 EGF applications, 11 of which based on trade related globalisation and 10 on the global financial and economic crisis.

Basis of the German application: Germany 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 15 August 2014 to 15 December 2014.

The redundancies during the reference period are as follows:

- 2 826 workers made redundant in Adam Opel AG,
- 55 workers made redundant in Johnson Controls Objekt Bochum GmbH & Co. KG, a supplier of Adam Opel AG.

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 6 958 623, representing 60% of the total costs of the proposed 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.

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 required.

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 automotive industry in Germany

2015/2208(BUD) - 06/10/2015 - Budgetary text adopted by Parliament

The European Parliament adopted by 551 votes to 78, with 63 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 6 958 623** in commitment and payment appropriations in order to assist Germany following redundancies in its 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.

German application: Germany submitted application EGF/2015/002 DE/Adam Opel for a financial contribution from the EGF following 2 881 redundancies in Adam Opel AG, operating in the NACE Rev. 2 division 29 ('Manufacture of motor vehicles, trailers and semi-trailers') and 1 supplier. Parliament noted that 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**.

Nature of the redundancies: Parliament noted that manufacturers of small and medium-sized vehicles of the medium-price segment have been hit particularly hard and that Adam Opel AG, being one of the major players in the medium-price segment of small and medium-sized vehicles, has thus been hit particularly hard by the crisis. Furthermore, Adam Opel AG was disadvantaged by the owning enterprise General Motors, which allowed Opel to sell only within Europe, thus excluding Opel from emerging markets on other continents. Germany is of the opinion that austerity policies imposed in European countries contributed to the dramatic drop in sales by Opel/Vauxhall.

Hard hit region: Parliament noted that these redundancies will have a significant adverse impact on the **local economy in Bochum**. Bochum is a city in the Ruhr area, a highly urbanised industrial area in the German Federal State of North Rhine-Westphalia, which, like other traditional coal-mining and steel producing regions, has been facing tremendous structural challenges since the 1960s.

The unemployment rate in the Ruhr area is already far above the German average;

It recalled that Bochum has already been supported by the EGF after Nokia stopped the production of cell phones, with a loss of more than 1 300 jobs. It also noted that Outukumpu intends to stop the production of stainless steel in Bochum at the end of 2015, which will lead to a further deindustrialisation of the city and a worsening of the local and regional labour situation.

A package of personalised services: Parliament noted that the German authorities decided to initiate the implementation of the personalised services to the affected workers on 1 January 2015, well ahead of the decision and even the application on the granting the EGF support for the proposed coordinated package.

Germany is planning the following measures for the redundant workers covered by this application:

- vocational training measures,
- career guidance,
- peer groups/workshops,
- business start-up advisory service,
- job search/job fairs,
- follow-up mentoring and advisory services and training allowances.

It recalled that these measures have been drawn up in consultation with the social partners through the creation of transfer companies.

The resolution stated that the authorities plan to utilise the maximum allowed 35% of total costs for the coordinated package of personalised services on allowances and incentives in form of training allowance.

Recalling 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, Parliament expect 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.

The German authorities confirmed that the eligible actions do not receive assistance from other Union financial instruments. Members reiterated their call to the Commission to present a comparative evaluation of those data in its annual reports in order to ensure full respect for existing regulations and that no duplication of Union-funded services can occur.

Lastly, Parliament appreciated the improved procedure put in place by the Commission, following the Parliament's request for the accelerated release of grants and noted the time pressure that the new timetable implies and the potential impact on the effectiveness of case instruction.