Basic information

2015/2295(BUD) BUD - Budgetary procedure	Procedure completed
Mobilisation of the European Globalisation Adjustment Fund: redundancies in aircraft repair and installation services in Ireland **Subject** 3.40.05 Aeronautical industry, aerospace industry 3.40.18 Services sector 4.15.05 Industrial restructuring, job losses, redundancies, relocations, Globalisation Adjustment Fund (EGF) 8.70.55 2015 budget **Geographical area** Ireland	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
BUDG Budgets	NEGRESCU Victor (S&D)	06/11/2015
	Shadow rapporteur KÖLMEL Bernd (ECR) 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
Agriculture and Fisheries	3437	2015-12-14

European

Commission DG	Commissioner

Commission	Budget	GEORGIEVA Kristalina

Key events

Date	Event	Reference	Summary
06/11/2015	Non-legislative basic document published	COM(2015)0555	Summary
11/11/2015	Committee referral announced in Parliament		
10/12/2015	Vote in committee		
10/12/2015	Budgetary report tabled for plenary	A8-0363/2015	Summary
14/12/2015	Draft budget approved by Council		
16/12/2015	Decision by Parliament	T8-0454/2015	Summary
16/12/2015	Results of vote in Parliament		
16/12/2015	End of procedure in Parliament		
24/12/2015	Final act published in Official Journal		

Technical information

Procedure reference	2015/2295(BUD)
Procedure type	BUD - Budgetary procedure
Procedure subtype	Mobilisation of funds
Stage reached in procedure	Procedure completed
Committee dossier	BUDG/8/04943

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE571.687	25/11/2015	
Amendments tabled in committee		PE573.025	07/12/2015	
Budgetary report tabled for plenary, 1st reading		A8-0363/2015	10/12/2015	Summary
Budgetary text adopted by Parliament		T8-0454/2015	16/12/2015	Summary

European Commission

Document type	Reference	Date	Summary
Non-legislative basic document	COM(2015)0555	06/11/2015	Summary

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

Final act	
Decision 2015/2458 OJ L 339 24.12.2015, p. 0046	Summary

Mobilisation of the European Globalisation Adjustment Fund: redundancies in aircraft repair and installation services in Ireland

2015/2295(BUD) - 16/12/2015 - Budgetary text adopted by Parliament

The European Parliament adopted by 580 votes to 100, with 11 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 442 293** in commitment and payment appropriations in order to assist Ireland in dealing with redundancies in its aviation maintenance 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 or of the global financial and economic crisis and to assist their reintegration into the labour market.

Irish application: Ireland submitted application EGF/2015/006 IE/PWA International for a financial contribution from the EGF following 108 redundancies in PWA International Ltd (PWAI), operating in the NACE Rev. 2 division 33 ('Repair and installation of machinery equipment') in the NUTS level 2 region of Southern and Eastern Ireland. All redundant workers are expected to participate in the measures.

Given that the application does not fulfil the traditional eligibility criteria set down by the EGF Regulation in terms of number of redundancies and is submitted under the intervention criteria of Article 4(2) of that Regulation, which allows for derogation under exceptional circumstances, Ireland is entitled to a financial contribution under that Regulation.

Nature of the redundancies: Parliament noted that Ireland specialised in the Maintenance Repair and Overhaul (MRO) sector in the 1990's, which served it well at that time, but made it particularly vulnerable to the recent trend to locate MRO activity near centres of global aviation expansion, i.e. Asia. Members also noted that the situation in South Dublin is worrying given that the closure of PWAI has had a serious impact on employment and on the local, regional or national economy.

Clarify the ceiling of EGF for 'exceptional circumstances': Parliament agreed that the pre-existing difficult situation in the area, combined with the cumulative effect of three major closures in the MRO sector within a short period, and the fact that no employers in this sector remain in Ireland may justify a derogation from the threshold of 500 redundancies set out in article 4(1) of the EGF regulation. It reiterated, in this regard, its recommendation to the Commission to either clarify the derogation criteria set out in Article 4(1) of the EGF Regulation, or lower the threshold of 500 workers being made redundancies.

A package of personalised services: Parliament welcomed the fact that, in order to provide workers with speedy assistance, the Irish authorities decided to initiate the implementation of the personalised services to the affected workers on 22 May 2015, well ahead of the decision on the granting of EGF support for the proposed coordinated package. It noted that Ireland is planning five types of measures for redundant workers covered by this application:

1. guidance and career planning and development,
2. EGF Training Grants,
3. Training and Further Education Programmes,
4. Higher Education Programmes,
5. Time Limited Allowances.

It noted that 24.81% of the costs will be used for time limited allowances, which remains much below the maximum allowed 35% of all costs.

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. Members 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. They also noted that the Irish authorities confirm that the eligible actions do not receive assistance from other Union financial instruments.

Smallest number of laid off workers: Parliament regretted that the EGF mobilisation is proposed for only 108 redundant employees. It observed that this proposal aims to mobilise the EGF with effectively the smallest number of laid off workers proposed so far. Lastly, Parliament pointed out that all 108 redundancies are in the economic sector classified as "repair and installation of machinery and equipment", and more specifically aviation jet engines, which renders the workers skilled and adaptable to the labour market.

Mobilisation of the European Globalisation Adjustment Fund: redundancies in aircraft repair and installation services in Ireland

2015/2295(BUD) - 16/12/2015 - Final act

PURPOSE: to mobilise the European Globalisation Adjustment Fund (EGF) in order to assist Ireland in dealing with redundancies in its aviation maintenance sector.

LEGISLATIVE ACT: Decision (EU) 2015/2458 of the European Parliament and of the Council on the mobilisation of the European Globalisation Adjustment Fund (application from Ireland — EGF/2015/006 IE/PWA International).

CONTENT: with this Decision, the European Parliament and the Council have decided to mobilise the sum of **EUR 442 293** in commitment and payment appropriations from European Globalisation Adjustment Fund within the framework of the 2015 budget.

This amount aims to obtain a financial contribution from the EGF following redundancies in PWA International Ltd and one supplier in Ireland.

Given that this application complies with the requirements for determining the financial contributions as laid down in Regulation No 1309/2013 (EGF Regulation 2014-2020), the European Parliament and Council have decided to grant the above-mentioned amount.

The application was considered admissible since the redundancies have a serious impact on employment and the local, regional or national economy. Ireland has also decided to provide personalised services co-financed by the EGF also to 108 young persons not in employment, education or training (NEETs).

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.

Council Regulation (EU, Euratom) No 1311/2013 laying down the multiannual financial framework for the years 2014-2020, allows mobilization of the EGF upto a maximum annual amount of **EUR 150 million**.

ENTRY INTO FORCE: 16.12.2015.

Mobilisation of the European Globalisation Adjustment Fund: redundancies in aircraft repair and installation services in Ireland

2015/2295(BUD) - 06/11/2015 - Non-legislative basic document

PURPOSE: to mobilise the European Globalisation Adjustment Fund (EGF) in order to assist Ireland in dealing with redundancies in its aviation maintenance 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 is not to exceed a maximum annual amount of **EUR 150 million** (2011 prices).

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 has assessed the application for the mobilisation of the EGF in order to assist Finland, and has concluded as follows:

Ireland: EGF/2015/006 IE/PWA International: on 19 June 2015, Ireland submitted application EGF/2015/006 IE/PWA International Ltd for a financial contribution from the EGF, following redundancies in PWA International (PWAI) and one supplier in Ireland.

Ireland submitted its application within **12 weeks** of the date on which the intervention criteria were met. The deadline expired on 6 November 2015.

In order to establish the link between the redundancies and major structural changes in world trade patterns due to globalisation, Ireland argues that the closure of PWAI, a Maintenance Repair and Overhaul (MRO) enterprise and a joint venture between *United Technologies Corporation's Pratt & Whitney* (P&W) and *Singapore Airlines Engineering Company* (SIAEC), was made to consolidate the company’s operations in North America and Asia by the phased transfer from PWAI to other repair facilities within the P&W network, namely P&W PSD based in Arkansas (USA) and Eagle Services Asia based in Singapore.

Over the past 10 years Asia-based customers have accounted for approximately 50 % of PWAI's business e.g. *Japan Airlines* (JAL), *JAL Aeroparts*, *All Nippon Airways* (ANA) and *Mitsubishi Heavy Industries* (MHI). Another 40 % of PWAI's business has been with USA-based customers, like United Airlines, and just 10 % with European customers e.g. *SR Technics* in Switzerland and *Lufthansa* in Germany.

Technological shifts towards new generation aircraft also help to explain the reduced demand for activity by PWAI at an Irish location and the migration of such activity outside the EU. The future world aircraft fleet is likely to be dominated by single aisle / narrow-body aircraft typical of Airbus 32. This growth is predicted to emanate from Asia, where the aviation sector is expanding and there is a requirement to replace older aircraft types with narrow body types.

The trend towards locating MRO activity near centres of global aviation expansion, and the adverse impacts of global trade deals, has seriously affected Europe and in particular Ireland. To date, the "repair and installation of machinery and equipment" sector has been the subject of these three EGF applications, two of which based on trade related globalisation (EGF/2014/0161E/ Lufthansa Technik and the current application) and one (EGF /2009/021 IE/SR Technics) on the global financial and economic crisis.

The application relates to 108 workers made redundant in *PWA International Ltd*. and one supplier. The primary enterprise operated in the economic sector classified under the NACE Revision 2 Division 33 (Repair and installation of machinery and equipment). The redundancies made by the enterprises are mainly located in the NUTS5 level 2 region of Southern and Eastern (IE 02).

Eligibility of the Irish application: Ireland submitted the application under the intervention criteria of Article 4(2) derogating from the 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.

The redundancies during the reference period are 61 workers made redundant by PWA International Ltd and 47 workers made redundant before or after the reference period of four months. These workers were all made redundant after the general announcement of the projected redundancies on 10 October 2013. The total number of eligible beneficiaries is therefore 108.

It is proposed to contribute to all personalised services the total of **EUR 442 293**.

BUDGETARY IMPLICATIONS: 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 442 293, 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 of EUR 442 293.

Furthermore, 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 on which the European Parliament and the Council adopt the proposed decision to mobilise the EGF.

Mobilisation of the European Globalisation Adjustment Fund: redundancies in aircraft repair and installation services in Ireland

2015/2295(BUD) - 10/12/2015 - Budgetary report tabled for plenary, 1st reading

The Committee on Budgets adopted the report by Victor NEGRESCU (S&D, RO) 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 442 293** in commitment and payment appropriations in order to assist Ireland in dealing with redundancies in its aviation maintenance 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 or of the global financial and economic crisis and to assist their reintegration into the labour market.

Irish application: Ireland submitted application EGF/2015/006 IE/PWA International for a financial contribution from the EGF following 108 redundancies in PWA International Ltd (PWAI), operating in the NACE Rev. 2 division 33 ('Repair and installation of machinery equipment') in the NUTS level 2 region of Southern and Eastern Ireland. All redundant workers are expected to participate in the measures.

Given that the application does not fulfil the traditional eligibility criteria set down by the EGF Regulation in terms of number of redundancies and is submitted under the intervention criteria of Article 4(2) of that Regulation, which allows for derogation under exceptional circumstances, Ireland is entitled to a financial contribution under that Regulation.

Nature of the redundancies: Members noted that Ireland specialised in the Maintenance Repair and Overhaul (MRO) sector in the 1990's, which served it well at that time, but made it particularly vulnerable to the recent trend to locate MRO activity near centres of global aviation expansion, i.e.

Asia. Members also noted that although the South Dublin unemployment rate (11.61 %) is only slightly higher than the national average (10.83 %), these figures conceal pockets of considerable local disadvantage and that the closure of PWAI has had a serious impact on employment and on the local, regional or national economy.

According to members, the EGF should be reformed to either clarify the derogation criteria set out in Article 4(1) of the EGF Regulation, or lower the threshold of 500 workers being made redundant.

A package of personalised services: Members welcomed the fact that, in order to provide workers with speedy assistance, the Irish authorities decided to initiate the implementation of the personalised services to the affected workers on 22 May 2015, well ahead of the decision on the granting of EGF support for the proposed coordinated package. They noted that Ireland is planning five types of measures for redundant workers covered by this application:

1. guidance and career planning and development,
2. EGF Training Grants,
3. Training and Further Education Programmes,
4. Higher Education Programmes,
5. Time Limited Allowances.

They noted that 24.81% of the costs will be used for time limited allowances, which remains much below the maximum allowed 35% of all costs.

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. Members 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.

They also noted that the Irish authorities confirm that the eligible actions do not receive assistance from other Union financial instruments.

Smallest number of laid off workers: Members regretted that the EGF mobilisation is proposed for only 108 redundant employees. They observed that this proposal aims to mobilise the EGF with effectively the smallest number of laid off workers proposed so far. Lastly, Members pointed out that all 108 redundancies are in the economic sector classified as "repair and installation of machinery and equipment", and more specifically aviation jet engines, which renders the workers skilled and adaptable to the labour market.