Basic information

2016/2013(BUD) BUD - Budgetary procedure	Procedure completed
Mobilisation of the European Globalisation Adjustment Fund: redundancies in the glass sector in Belgium **Subject** 3.40.08 Mechanical engineering, machine-tool industry 4.15.05 Industrial restructuring, job losses, redundancies, relocations, Globalisation Adjustment Fund (EGF) 8.70.56 2016 budget	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
BUDG Budgets	ZDECHOVSKÝ Tomáš (PPE)	25/01/2016
	Shadow rapporteur NEGRESCU Victor (S&D) KÖLMEL Bernd (ECR) DEPREZ Gérard (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
Education, Youth, Culture and Sport	3449	2016-02-24

European Commission

Commission DG	Commissioner
Budget	GEORGIEVA Kristalina

Key events

Date	Event	Reference	Summary
20/01/2016	Non-legislative basic document published	COM(2016)0001	Summary
01/02/2016	Committee referral announced in Parliament		
18/02/2016	Vote in committee		
19/02/2016	Budgetary report tabled for plenary	A8-0029/2016	Summary
24/02/2016	Draft budget approved by Council		
25/02/2016	Decision by Parliament	T8-0057/2016	Summary
25/02/2016	Results of vote in Parliament		
25/02/2016	End of procedure in Parliament		
19/03/2016	Final act published in Official Journal		

Technical information

Procedure reference	2016/2013(BUD)
Procedure type	BUD - Budgetary procedure
Procedure subtype	Mobilisation of funds
Stage reached in procedure	Procedure completed
Committee dossier	BUDG/8/05577

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE575.348	25/01/2016	
Amendments tabled in committee		PE576.804	10/02/2016	
Budgetary report tabled for plenary, 1st reading		A8-0029/2016	19/02/2016	Summary
Budgetary text adopted by Parliament		T8-0057/2016	25/02/2016	Summary

European Commission

Document type	Reference	Date	Summary
Non-legislative basic document	COM(2016)0001	20/01/2016	Summary

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

Final act	
Decision 2016/0407 OJ L 074 19.03.2016, p. 0034	Summary

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

2016/2013(BUD) - 19/02/2016 - Budgetary report tabled for plenary, 1st reading

The Committee on Budgets adopted the report by Tomáš ZDECHOVSKÝ (EPP, CZ) 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 1 095 544** in commitment and payment appropriations in order to assist Belgium following redundancies in its glass 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/2015/007 BE/Hainaut-Namur Glass for a financial contribution from the EGF, following redundancies in the economic sector classified under the NACE Revision 2 Division 23 (Manufacture of other non-metallic mineral products) in the NUTS level 2 regions of Hainaut and Namur in Belgium. 412 redundant workers, as well as 100 young people from the Hainaut Region not in employment, education or training (NEETs) under the age of 25, are expected to participate in the measures. 144 of these workers were made redundant following the closure of the production plant in Roux (Hainaut), owned by AGC Europe SA, and 268 following the closure of the production plant in Auvelais (Namur Region), owned by Saint-Gobain Glass Benelux.

This application does not fulfil the eligibility criteria set down in Article 4(1) of the EGF Regulation.

It was submitted under the intervention criteria, which allow for derogation under exceptional circumstances, notably Article 4(2) of the EGF Regulation in the case of the redundant workers, and Article 6(2) of the EGF Regulation in the case of the NEETs.

Therefore, Belgium is entitled to a financial contribution.

Nature of the redundancies: Members noted that employment in the glass sector as a whole in Europe decreased by 32% and that in Wallonia, the number of jobs in the glass sector in the regions of Namur and Hainaut decreased by 19% between 2007 and 2012 and 1 236 job losses in 2013 and 1 878 in 2014 in Wallonia.

Members pointed out that Hainaut, in particular, is facing a difficult labour market situation with an employment rate 9.2% lower than the national average. They noted that, in 2013, the Saint-Gobain Group was forced to close another production plant in a deindustrialised zone in Wallonia (EGF /2013/011 BE/SaintGobain Sekurit application).

A package of personalised services: Members welcomed the fact that the Belgian authorities started providing the personalised services to the affected workers on 10 September 2014, well ahead of the decision on the granting the EGF support for the proposed coordinated package.

They noted that Belgium is planning seven types of measures for redundant workers covered by this application:

- support/guidance/interpretation,
- facilitating job-search,
- integrated training,
- transfer of experiences,
- support for enterprise creation,
- support for collective projects,
- job-search and training allowances.

They welcomed that the application contains measures specifically aimed to provide assistance to NEETs and appreciated that the allowances and incentives to be provided as part of the proposed measures are limited to 5.52% of the total estimated costs.

They recalled that in line with the EGF Regulation, the design of the coordinated package of personalised services supported by the EGF should anticipate future labour market perspectives and required skills and should be compatible with the shift towards a resource-efficient and sustainable economy.

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

Lastly, Members appreciated the improved procedure put in place by the Commission, following the Parliament's request for the accelerated release of grants.

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

2016/2013(BUD) - 20/01/2016 - Non-legislative basic document

PURPOSE: to mobilise the European Globalisation Adjustment Fund to assist Belgium in respect of redundancies its glass 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 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 Belgium and concluded the following:

Belgium:EGF/2015/007 BE/Hainaut-Namur Glass: on 19 August 2015, Belgium submitted an application EGF/2015/007 BE/HainautNamur Glass for a financial contribution from the EGF, following redundancies in the economic sector classified under the NACE Revision 2 Division 23 (Manufacture of other non-metallic mineral products) in the NUTS level 2 regions of Hainaut (BE32) and Namur (BE35) in Belgium.

Belgium 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 20 January 2016.

In order to establish the link between the redundancies and major structural changes in world trade patterns due to globalisation, Belgium argued that Union trade in glass products has undergone serious disruptions in recent years. While demand has stagnated in Europe between 2000 and 2013, imports have dramatically increased, with foreign producers capturing a growing share of the European market. This can be explained by the fact that a production overcapacity in Asia (notably in China) has resulted in downward price pressure, which European producers find hard to cope with, due to higher production costs and stricter environmental standards, notably CO2 emission quotas.

Between 2000 and 2010, in the glass sector as a whole, employment decreased by 32 % in Europe (particularly affecting Germany, Poland, France and Belgium). Production of glass in Belgium fell below 1 million tons in 2009 for the first time since the mid-sixties, and it continued to decrease by 5 % in both 2011 and 2012.

The event giving rise to these redundancies is the closure of two production plants in Wallonia owned by the two enterprises, AGC Europe SA and Saint-Gobain Glass Benelux, respectively.

To date, the Manufacture of other non-metallic mineral products sector has been the subject of five EGF applications, two of which (including this one) based on trade related globalisation and three on the global financial and economic crisis

Basis of the Belgian application: Belgium submitted the application under the intervention criteria of Article 4(2) derogating from the criteria of Article 4 (1) (b) of the EGF Regulation, which requires at least 500 workers being made redundant over a reference period of nine months in enterprises operating in the same economic sector defined at NACE Revision 2 Division and located in one region or two contiguous regions defined at NUTS 2 level in a Member State.

The reference period of nine months for the application runs from 31 August 2014 to 31 May 2015.

There were 412 redundancies combined in the NUTS level 2 regions of Hainaut (B32) and Namur (B35).

Having examined this application, the proposed contribution from the EGF to the coordinated package of personalised services is **EUR 1 095 544**.

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 1 095 544, 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 glass sector in Belgium

2016/2013(BUD) - 09/03/2016 - Final act

PURPOSE: to mobilise the European Globalisation Adjustment Fund to assist Belgium in respect of redundancies its glass sector.

NON-LEGISLATIVE ACT: Decision (EU) 2016/407 of the European Parliament and of the Council on the mobilisation of the European Globalisation Adjustment Fund (application from Belgium EGF/2015/007 — BE/Hainaut-Namur Glass).

CONTENT: with this present Decision, the European Parliament and the Council decided to mobilise **EUR 1 095 544** in commitment and payment appropriations from the European Globalisation Adjustment Fund under the general budget of the European Union for the financial year 2016.

This amount shall assist Belgium following redundancies and cessations of activities in the economic sector classified under the NACE Revision 2 Division 23 (Manufacture of other non-metallic mineral products) in the NUTS level 2 regions of Hainaut (B32) and Namur (B35).

In accordance with Regulation (EU) No 1309/2013 (EGF Regulation), the application from Belgium is considered admissible since the redundancies have a serious impact on employment and the local, regional and national economy. Therefore, the European Parliament and the Council decided to grant the abovementioned amount.

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.

In accordance with this Regulation, Belgium has decided to provide personalised services co-financed by the EGF also to 100 young people not in employment, education or training (NEETs).

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**.

ENTRY INTO FORCE: 19.3.2016. It shall apply from 9.3.2016.

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

2016/2013(BUD) - 25/02/2016 - Budgetary text adopted by Parliament

The European Parliament adopted by 558 votes to 83, with 4 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 1 095 544** in commitment and payment appropriations in order to assist Belgium following redundancies in its glass 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/2015/007 BE/Hainaut-Namur Glass for a financial contribution from the EGF, following redundancies in the economic sector classified under the NACE Revision 2 Division 23 (Manufacture of other non-metallic mineral products) in the NUTS level 2 regions of Hainaut and Namur in Belgium. 412 redundant workers, as well as 100 young people from the Hainaut Region not in employment, education or training (NEETs) under the age of 25, are expected to participate in the measures. 144 of these workers were made redundant following the closure of the production plant in Roux (Hainaut), owned by AGC Europe SA, and 268 following the closure of the production plant in Auvelais (Namur Region), owned by Saint-Gobain Glass Benelux.

This application does not fulfil the eligibility criteria set down in Article 4(1) of the EGF Regulation.

It was submitted under the intervention criteria, which allow for derogation under exceptional circumstances, notably Article 4(2) of the EGF Regulation in the case of the redundant workers, and Article 6(2) of the EGF Regulation in the case of the NEETs.

Therefore, Belgium is entitled to a financial contribution.

Nature of the redundancies: Parliament noted that in recent years the Union trade in glass products has undergone serious disruptions and that in Wallonia, several of large enterprises have faced difficulties in the recent years. It noted that employment in the glass sector as a whole in Europe decreased by 32% and that in Wallonia, the number of jobs in the glass sector in the regions of Namur and Hainaut decreased by 19% between 2007 and 2012 and 1 236 job losses in 2013 and 1 878 in 2014 in Wallonia.

Parliament pointed out that Hainaut, in particular, is facing a difficult labour market situation with an employment rate 9.2% lower than the national average. It noted that, in 2013, the Saint-Gobain Group was forced to close another production plant in a deindustrialised zone in Wallonia (SaintGobain Sekurit application).

A package of personalised services: Parliament welcomed the fact that the Belgian authorities started providing the personalised services to the affected workers on 10 September 2014, well ahead of the decision on the granting the EGF support for the proposed coordinated package.

It noted that Belgium is planning seven types of measures for redundant workers covered by this application:

- support/guidance/interpretation,
- facilitating job-search,
- integrated training,
- transfer of experiences,
- support for enterprise creation,
- support for collective projects,
- job-search and training allowances.

It also welcomed that the application contains measures specifically aimed to provide assistance to NEETs and appreciated that the allowances and incentives to be provided as part of the proposed measures are limited to 5.52% of the total estimated costs.

Members recalled that in line with the EGF Regulation, the design of the coordinated package of personalised services supported by the EGF should anticipate future labour market perspectives and required skills and should be compatible with the shift towards a resource-efficient and sustainable economy.

Parliament underlined that in the case of successive applications from the same geographical region, the Commission should collect and analyse the experiences from previous applications and ensure that, in the case of new applications, any conclusion of that analysis is taken into due account. It noted that the Belgian authorities confirm that the eligible actions do not receive assistance from other Union financial instruments.

It also 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, Parliament appreciated the improved procedure put in place by the Commission, following the Parliament's request for the accelerated release of grants.