Basic information

2016/2022(BUD) BUD - Budgetary procedure	Procedure completed
Mobilisation of the European Globalisation Adjustment Fund: redundancies in the manufacture of commercial vehicles in Sweden **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) 8.70.56 2016 budget **Geographical area** Sweden	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
BUDG Budgets	NEGRESCU Victor (S&D)	17/02/2016
	Shadow rapporteur SARVAMAA Petri (PPE) KÖLMEL Bernd (ECR) PAET Urmas (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	3459	2016-04-11

European Commission	Commission DG	Commissioner
	Budget	GEORGIEVA Kristalina

Key events

Date	Event	Reference	Summary
16/02/2016	Non-legislative basic document published	COM(2016)0061	Summary
25/02/2016	Committee referral announced in Parliament		
04/04/2016	Vote in committee		
06/04/2016	Budgetary report tabled for plenary	A8-0077/2016	Summary
11/04/2016	Draft budget approved by Council		
13/04/2016	Decision by Parliament	T8-0111/2016	Summary
13/04/2016	Results of vote in Parliament		
13/04/2016	End of procedure in Parliament		
21/04/2016	Final act published in Official Journal		

Technical information

Procedure reference	2016/2022(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/8/05690

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE576.865	07/03/2016	
Amendments tabled in committee		PE580.422	18/03/2016	
Budgetary report tabled for plenary, 1st reading		A8-0077/2016	06/04/2016	Summary
Budgetary text adopted by Parliament		T8-0111/2016	13/04/2016	Summary

European Commission

Document type	Reference	Date	Summary
	COM(2016)0061		

Non-legislative basic document		16/02/2016	Summary

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

Final act	
Decision 2016/0618 OJ L 105 21.04.2016, p. 0020	Summary

Mobilisation of the European Globalisation Adjustment Fund: redundancies in the manufacture of commercial vehicles in Sweden

2016/2022(BUD) - 16/02/2016 - Non-legislative basic document

PURPOSE: to mobilise the European Globalisation Adjustment Fund (EGF) to assist Sweden in respect of redundancies in the manufacture of commercial vehicles.

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 Sweden and concluded the following:

Sweden:EGF/2015/009 SE/Volvo Trucks: on 16 September 2015, Sweden submitted application EGF/2015/009 SE/Volvo Trucks for a financial contribution from the EGF, following redundancies in Volvo Group Truck Operation, EMEA and four suppliers and downstream producers in Sweden.

Sweden submitted the application within 12 weeks of the date on which the intervention criteria were met. This deadline expired on 3 February 2016.

In order to establish the link between the redundancies and major structural changes in world trade patterns due to globalisation, Sweden argued that the manufacture of commercial vehicles, a relatively small segment within the large automotive industry, is no longer dominated by European and North American manufacturers. The newly emerging Asian truck manufacturers in China and India have gained access to new technology from joint ventures with established market leaders in the West.

China is now the leader in the global production of commercial vehicles with a share of 34.1 %. The US, the EU and China together account for more than 60% of total world commercial vehicle production.

A serious shift in EU trade was recorded in 2014 with EU manufacturers' exports declining and an increase in the import of vehicles. In 2014, EU commercial vehicle exports showed a decline by EUR 3.9 billion in light commercial vehicles (-12.5%) and EUR 6.3 billion in heavy commercial vehicles, buses and coaches (- 10 %). This led to an overall decline in EU exports (- 11 %).

There are some major trends that will affect and increase global competition within the commercial vehicle industry in coming years. Demographic change and increased urbanisation, regulatory issues such as tolls, taxes, barriers to trade through national legislation, environmental requirements, fuel efficiency, safety and security, etc. These are all factors that will drive up costs, in particular in development and R&D and will increase competition.

The Swedish authorities therefore argues that the partial relocation of the Volvo Umeå department is driven by the need to increase efficiency and decrease cost to meet existing and expected global competition.

The application relates to 470 workers made redundant in Volvo Trucks and 177 in 4 suppliers and downstream producers. The primary enterprise operates in the economic sector classified under the NACE Revision 2 Division 29 (Manufacture of motor vehicles, trailers and semi-trailers).

The redundancies made by the primary enterprise are mainly located in the NUTS level 2 region of SE33 (Upper Norrland).

Basis of the Swedish application: Sweden submitted the application under the intervention criteria of Article 4(1)(a), 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 application concerns redundancies of 647 workers during the 4 month reference period.

Having examined this application, the proposed contribution from the EGF to the coordinated package of personalised services is **EUR 1 793 710**.

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 1 793 710, 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 manufacture of commercial vehicles in Sweden

2016/2022(BUD) - 13/04/2016 - Final act

PURPOSE: to mobilise the European Globalisation Adjustment Fund (EGF) to assist Sweden in respect of redundancies in the manufacture of commercial vehicles.

NON-LEGISLATIVE ACT: Decision (EU) 2016/618 of the European Parliament and of the Council on the mobilisation of the European Globalisation Adjustment Fund (application from Sweden — EGF/2015/009 SE/*Volvo Trucks*).

CONTENT: with this Decision, the European Parliament and the Council decided to mobilise **EUR 1 793 710** in commitments and payments under the European Globalisation Adjustment Fund in the framework of the 2016 budget.

This amount shall assist Sweden in respect of redundancies in the manufacture of commercial vehicles.

On 16 September 2015, Sweden submitted an application EGF/2015/009 SE/Volvo Trucks for a financial contribution from the EGF, following redundancies in Volvo Trucks (Volvo Group Truck Operation, EMEA) and four suppliers and downstream producers in Sweden. It was supplemented by additional information provided in accordance with Article 8(3) of Regulation (EU) No 1309/2013.

Given that the application complies with the requirements for determining a financial contribution from the EGF as laid down in Article 13 of 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.

The EGF should, therefore, be mobilised in order to provide the requested financial contribution in respect of the application submitted by Sweden.

ENTRY INTO FORCE: 21.04.2016. This Decision shall apply retroactively from 13 April 2016.

Mobilisation of the European Globalisation Adjustment Fund: redundancies in the manufacture of commercial vehicles in Sweden

2016/2022(BUD) - 13/04/2016 - Budgetary text adopted by Parliament

The European Parliament adopted by 585 votes to 82, with 7 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 1 793 710** in commitment and payment appropriations to assist Sweden, which is affected by redundancies in its vehicle manufacturing 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.

Swedish application: Sweden submitted application EGF/2015/009 SE/Volvo Trucks following redundancies in the economic sector classified under the NACE Revision 2 Division 29 (Manufacture of motor vehicles, trailers and downstream producers) mainly in the NUTS level 2 region of Upper Norrland (SE33). The application concerns 647 redundant workers 470 of whom were made redundant in Volvo Group Truck Operation EMEA following reductions in its Umeå plant, and 177 others in 4 suppliers and downstream producers (IL Logistics AB, Lemia, Caverion and Isringhausen).

Members noted that the conditions set out in Article 4(1)(a) of the EGF Regulation are met. Therefore, Sweden is entitled to a financial contribution under that Regulation.

Nature of the redundancies: Parliament pointed out that the redundancies represent a challenge in the region of the county of Västerbotten (of which Umeå is the capital) as the region's job vacancies are in highly qualified fields while most of the targeted workers have only secondary education. It noted that the application refers to a recent report claiming that 40 000 new workers will be needed in the Västerbotten region. It also noted that the manufacture of commercial vehicles is no longer dominated by European and North American manufacturers, and that the heavy truck production in the Union decreased in 2014, due to newly emerging Asian truck manufacturers.

A package of personalised services: Parliament welcomed the fact that the Swedish authorities started providing the personalised services to the affected workers on 30 January 2015, well ahead of the decision on the granting of EGF support for the proposed coordinated package. It also noted that Sweden is planning nine types of measures for redundant workers covered by this application:

1. in-depth assessment and individual planning;
2. various job-search activities and coaching;
3. motivation and health measures;
4. entrepreneurship and business creation;
5. education and training;
6. validation of competences;
7. job-search assistance with private service providers;
8. travel expenses and related costs;
9. job search allowances.

Members welcomed the measures targeting motivation and health of the workers, which provide help for those whose health was damaged by being made redundant.

They noted that young people not in employment, education or training (NEETs) are not included in the application, because this region is not eligible for such intervention under the Youth Employment Initiative.

Parliament also noted that, to date, the manufacture of motor vehicles, trailers and semi-trailers sector has been the subject of 22 EGF applications, including this one, 12 of which were based on trade related globalisation and 10 on the global financial and economic crisis.

Complementary measures: Parliament awaited the answer from the Commission confirming that the proposed job search allowance is not a substitute for the obligation of the Member State with regard to active labour market or social protection measures. It expected, furthermore, an analysis of the complementarity of the measures supported by the EGF.

Lastly, Parliament reminded the Commission of its responsibility and obligation to provide in due time detailed information confirming that the proposed job search allowance does not provide a substitute the Member State’s responsibilities with regard to active labour market or social protection measures.

Mobilisation of the European Globalisation Adjustment Fund: redundancies in the manufacture of commercial vehicles in Sweden

2016/2022(BUD) - 06/04/2016 - 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 1 793 710 in commitment and payment appropriations to assist Sweden, which is affected by redundancies in its vehicle manufacturing 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.

Swedish application: Sweden submitted application EGF/2015/009 SE/Volvo Trucks for a financial contribution from the EGF, following redundancies in the economic sector classified under the NACE Revision 2 Division 29 (Manufacture of motor vehicles, trailers and downstream producers) mainly in the NUTS level 2 region of Upper Norrland (SE33). The application concerns 647 redundant workers 470 of whom were made redundant in Volvo Group Truck Operation EMEA following reductions in its Umeå plant, and 177 others in 4 suppliers and downstream producers (IL Logistics AB, Lemia, Caverion and Isringhausen).

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A package of personalised services: the report welcomed the fact that the Swedish authorities started providing the personalised services to the affected workers on 30 January 2015, well ahead of the decision on the granting of EGF support for the proposed coordinated package. It also noted that Sweden is planning nine types of measures for redundant workers covered by this application:

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