Basic information

2019/2114(BUD) BUD - Budgetary procedure	Procedure completed, awaiting publication in Official Journal
Mobilisation of the European Globalisation Adjustment Fund: redundancies in the retail trade sector in Belgium **Subject** 3.40.17 Manufactured goods 4.15.05 Industrial restructuring, job losses, redundancies, relocations, Globalisation Adjustment Fund (EGF) 8.70.59 2019 budget **Geographical area** Belgium	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
BUDG Budgets	FERNANDES José Manuel (EPP)	08/10/2019
	Shadow rapporteur UŠAKOVS Nils (S&D) CHASTEL Olivier (Renew) VANA Monika (Greens/EFA) RZOŃCA Bogdan (ECR) LAPORTE Hélène (ID) OMARJEE Younous (GUE/NGL)	

Committee for opinion	Rapporteur for opinion	Appointed
EMPL Employment and Social Affairs	ZDECHOVSKÝ Tomáš (EPP)	10/10/2019

Council of the European Union

European Commission

Commission DG	Commissioner
Employment, Social Affairs and Inclusion	SCHMIT Nicolas

Key events

Date	Event	Reference	Summary
04/10/2019	Non-legislative basic document published	COM(2019)0442	Summary
21/10/2019	Committee referral announced in Parliament		
06/11/2019	Vote in committee		
08/11/2019	Budgetary report tabled for plenary	A9-0021/2019	Summary
14/11/2019	Decision by Parliament	T9-0053/2019	Summary
14/11/2019	Results of vote in Parliament		
14/11/2019	Draft budget approved by Council		

Technical information

Procedure reference	2019/2114(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, awaiting publication in Official Journal
Committee dossier	BUDG/9/01509

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE641.413	11/10/2019	
Amendments tabled in committee		PE642.946	22/10/2019	
Specific opinion	EMPL	PE641.451	05/11/2019	
Budgetary report tabled for plenary, 1st reading		A9-0021/2019	08/11/2019	Summary
Budgetary text adopted by Parliament		T9-0053/2019	14/11/2019	Summary

European Commission

Document type	Reference	Date	Summary
Non-legislative basic document	COM(2019)0442	04/10/2019	Summary

Additional information

Source	Document	Date
European Commission	EUR-Lex	

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

2019/2114(BUD) - 04/10/2019 - Non-legislative basic document

PURPOSE: to mobilise the European Globalisation Adjustment Fund (EGF) to assist Belgium facing redundancies in the retail sector.

PROPOSED ACT: Decision of the European Parliament and the Council.

CONTENT: the rules applicable to financial contributions from the European Globalisation Adjustment Fund 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 examined the application for the mobilisation of the EGF for Belgium and has concluded the following:

Belgium - EGF/2019/001 BE/Carrefour

On 20 June 2019, Belgium submitted the application for a financial contribution from the EGF, following 751 redundancies in Carrefour Belgique S.A. operating in the economic sector of the retail trade (excluding motor vehicles and motor cycles).

In order to establish the link between the redundancies and the major structural changes in international trade patterns resulting from globalisation, the Belgian authorities ensure that the retail trade is going through a period of major changes due in particular to online purchases, which leads to redundancies.

Worldwide online sales have been steadily growing for many years. In 2023 worldwide retail e-commerce sales are expected to triple the sales accounted in 2018, making up 22% of total retail spending.

In the EU, the percentage of the population purchasing online increased from 47% to 69% over the period 2013-2018. The three main players are Amazon, Aliexpress and eBay, which operate as global players.

Online purchases outside the EU have a major impact on sales in traditional retail stores in the EU. The global trends also apply to Belgium. According to Comeos, 67% of the Belgians bought online in 2018, compared to only 46% in 2012.

The events leading to the redundancies are the closure of one Carrefour hypermarket (19 of the 45 Carrefour hypermarkets are not profitable) and the renting out of the stores' surface to external retailers in some of the hypermarkets still operating. For Carrefour, the growth in online sales has contributed to the decline in non-food sales in its hypermarkets (the turnover of non-food products declined by 6% in 2017, and by 19% since 2010).

Basis for the Belgian application

Belgium 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 30 November 2018 to 30 March 2019.

Beneficiaries

In addition to the 751 employees made redundant during the reference period, eligible beneficiaries include 268 employees made redundant before or after the reference period. The total number of eligible beneficiaries is therefore 1019.

Although the redundancies concern the whole of the country, Belgium expects that they have a particularly significant adverse impact on the employment situation and thus on the regional economy of Wallonia, where the unemployment rate is higher than the EU average (6.9%).

Due to the particularly difficult employment situation in Wallonia, Belgium expects that only the 400 workers made redundant in this region will participate in the measures. In addition, Belgium will provide personalised services co-financed by the EGF to a maximum of 330 unemployed young people not in education or training (NEET) under the age of 25 at the time of application.

The personalised services to be provided to redundant workers include the following actions: (i) support, guidance and professional integration; (ii) training, retraining and vocational training; (iii) support to business start-up; (iv) job-search allowance and training allowance, contribution to travel expenses, assistance in setting up a business and allowances for returing to school.

Financial contribution

The EGF shall not exceed a maximum annual amount of EUR 150 million (2011 prices), as laid down in Council Regulation (EU, Euratom) No 1311 /2013 laying down the multiannual financial framework for the years 2014-2020.

Having examined the application in respect of the conditions set out in 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 1 632 028**, representing 60% of the total costs of the proposed actions, in order to provide a financial contribution for the application.

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

2019/2114(BUD) - 14/11/2019 - Budgetary text adopted by Parliament

The European Parliament adopted by 558 votes to 63, with 43 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 (EGF) following an application from Belgium (EGF/2019/001 BE /Carrefour).

Parliament approved the proposal to mobilise the EGF to provide a financial contribution of EUR 1 632 028 in commitment and payment appropriations within the Union budget for 2019 to assist Belgium, which is facing redundancies in the retail trade. This amount represents 60% of the total cost of EUR 2 720 047, comprising expenditure for personalised services up to EUR 2 665 047 and expenditure for preparatory, management, information and publicity, control and reporting activities of EUR 55 000.

Reasons for the redundancies

Parliament acknowledged that retail trade is going through a period of major change, due to globalisation (e-commerce, online shopping), resulting in redundancies and that changing patterns in consumers' habits and digitalisation also have an impact on retail trade. The redundancies in Carrefour Belgique SA do not directly concern the food industry, but mostly pertain to the e-commerce of goods such as books and electronic devices.

Given that these kind of redundancies may further increase in the future due to digitalisation, Members suggested that this issue should be discussed in the framework of the future EGF in the next multiannual financial framework for the years 2021 to 2027.

Targeted beneficiaries

Parliament noted that the application relates in total to 1 019 workers made redundant in Carrefour Belgique SA in the whole of Belgium. Belgium expects that only 400 out of the total eligible beneficiaries will participate in the measures, namely workers made redundant in Wallonia as those redundancies have a particularly significant adverse impact on the employment situation in the region.

Furthermore, Belgium proposes personalised services co-financed by the EGF to up to 330 young people not in employment, education or training (NEETs) under the age of 25 on the date of submission of the application.

Proposed measures

Belgium is planning five types of actions for the redundant workers covered by this application: (i) support/guidance/integration, (ii) training, retraining and vocational training, (iii) support towards business creation, (iv) contribution to business start-up, (v) allowances.

Parliament welcomed that the co-ordinated package of personalised services was drawn up by Belgium in consultation with the social partners, in particular with trade unions, vocational counsellors and social workers, in order to reconsider various redeployment solutions adapted to the needs of the redundant workers. Carrefour Belgique SA is expected to ensure the necessary high-quality social dialogue with its workers during this process.

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

2019/2114(BUD) - 08/11/2019 - Budgetary report tabled for plenary, 1st reading

The Committee on Budgets adopted the report by José Manuel FERNANDES (EPP, PT) 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 1 632 028 in commitment and payment appropriations to assist Belgium which is facing redundancies in the retail sector.

The European Globalisation Adjustment Fund (EGF) is intended to provide support to redundant workers and self-employed persons who have ceased to work due to major structural changes in world trade patterns as a result of globalisation, due to the persistence of the global financial and economic crisis, or due to a new global financial and economic crisis, and to help them reintegrate into the labour market.

Basis for Belgium's application

Belgium submitted the application for a financial contribution from the EGF, following 751 redundancies in Carrefour Belgique S.A. operating in the economic sector of the retail trade (excluding motor vehicles and motor cycles). In addition to the 751 employees made redundant during the reference period, eligible beneficiaries include 268 employees made redundant before or after the reference period. The total number of eligible beneficiaries is therefore 1019. This case involves a particularly vulnerable age group, in which more than 81% of workers are between 55 and 64 years old.

Since the redundancies are expected to have a significant negative impact on the regional economy of Wallonia, in particular, Members agree with the Commission that the conditions laid down in Article 4(1) of the EGF Regulation are met and that Belgium is entitled, under this Regulation, to a financial contribution of EUR 1 632 028 under that Regulation, which represents 60 % of the total cost of EUR 2 720 047.

Reasons for the redundancies

Members acknowledged that retail trade is going through a period of major change, due to globalisation (e-commerce, online shopping), resulting in redundancies and that changing patterns in consumers' habits and digitalisation also have an impact on retail trade. The redundancies in Carrefour Belgique SA do not directly concern the food industry, but mostly pertain to the e-commerce of goods such as books and electronic devices. These kind of redundancies may further increase in the future due to digitalisation, which should be considered during the discussions on the future EGF in the next multiannual financial framework for the years 2021 to 2027.

Package of personalised services

Members noted that Belgium is planning five types of actions for the redundant workers covered by this application: (i) support/guidance/integration, (ii) training, retraining and vocational training, (iii) support towards business creation, (iv) contribution to business start-up, (v) allowances.

The report also stressed that young people not in employment, education or training (NEETs) will be particularly trained for job search and application, and will be better informed on labour law, social rights and support in administrative procedures. Moreover, a monthly allowance of EUR 350 will be granted to workers and NEETs who undertake full-time studies of at least one year.

Lastly, Members recalled that the design of the coordinated package of personalised services should also anticipate emerging labour market developments, with a special focus on the shift towards a source-efficient and sustainable economy.