

| Basic information   |                     |
|---|---------------------|
| <b>2021/0107(BUD)</b><br>BUD - Budgetary procedure  | Procedure completed |
| Mobilisation of the European Globalisation Adjustment Fund: redundancies in the metal manufacturing industry in Germany<br><br><b>Subject</b><br><br>3.40.02 Iron and steel industry, metallurgical industry<br>4.15.05 Industrial restructuring, job losses, redundancies, relocations, Globalisation Adjustment Fund (EGF)<br>8.70.51 2021 budget<br><br><b>Geographical area</b><br><br>Germany FR |                     |

| Key players                   |   |  |  |                  |
|-------------------------------|---|--|--|------------------|
| European Parliament           | <b>Committee responsible</b>  |  | <b>Rapporteur</b>  | <b>Appointed</b> |
|                               | <div style="border: 1px solid red; display: inline-block; padding: 2px;">BUDG</div> Budgets                       |  | GEIER Jens (S&D)   | 29/04/2021       |
|                               |   |  | Shadow rapporteur<br>HOHLMEIER Monika (EPP)<br>KÖRNER Moritz (Renew)<br>VANA Monika (Greens /EFA)<br>RZOŃCA Bogdan (ECR)<br>KUHS Joachim (ID)<br>PAPADIMOULIS Dimitrios (The Left) |                  |
|                               | <b>Committee for opinion</b>  |  | <b>Rapporteur for opinion</b>  | <b>Appointed</b> |
|                               | <div style="border: 1px solid red; display: inline-block; padding: 2px;">EMPL</div> Employment and Social Affairs |  | ZDECHOVSKÝ Tomáš (EPP)   | 18/05/2021       |
| Council of the European Union |   |  |  |                  |
| European Commission           | <b>Commission DG</b>  |  | <b>Commissioner</b>  |                  |
|                               | Employment, Social Affairs and Inclusion  |  | SCHMIT Nicolas   |                  |

## Key events

| Date       | Event                                      | Reference  | Summary |
|------------|--|--|---------|
| 27/04/2021 | Non-legislative basic document published   | COM(2021)0207<br> | Summary |
| 29/04/2021 | Committee referral announced in Parliament |  |         |
| 31/05/2021 | Vote in committee                          |  |         |
| 02/06/2021 | Budgetary report tabled for plenary        | A9-0189/2021   |         |
| 03/06/2021 | Draft budget approved by Council           |  |         |
| 07/06/2021 | Decision by Parliament                     | T9-0265/2021   | Summary |
| 24/06/2021 | Final act published in Official Journal    |  |         |

## Technical information

|                            |                           |
|----------------------------|---------------------------|
| Procedure reference        | 2021/0107(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/9/05928              |

## Documentation gateway

### European Parliament

| Document type                                    | Committee            | Reference                    | Date       | Summary |
|--|----------------------|------------------------------|------------|---------|
| Committee draft report                           |                      | <a href="#">PE692.655</a>    | 05/05/2021 |         |
| Amendments tabled in committee                   |                      | <a href="#">PE692.809</a>    | 12/05/2021 |         |
| Specific opinion                                 | <a href="#">EMPL</a> | <a href="#">PE692.905</a>    | 27/05/2021 |         |
| Budgetary report tabled for plenary, 1st reading |                      | <a href="#">A9-0189/2021</a> | 02/06/2021 |         |
| Budgetary text adopted by Parliament             |                      | <a href="#">T9-0265/2021</a> | 07/06/2021 | Summary |

### European Commission

| Document type                  | Reference  | Date       | Summary |
|--------------------------------|--|------------|---------|
| Non-legislative basic document | COM(2021)0207<br> | 27/04/2021 | Summary |

## Additional information

| Source | Document | Date |
|--------|----------|------|
|--------|----------|------|

**Final act**

[Decision 2021/1021](#)  
[OJ L 224 24.06.2021, p. 0014](#)

## Mobilisation of the European Globalisation Adjustment Fund: redundancies in the metal manufacturing industry in Germany

2021/0107(BUD) - 27/04/2021 - Non-legislative basic document

**PURPOSE:** to mobilise the European Globalisation Adjustment Fund (EGF) to help Germany facing redundancies in the metal sector.

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

**CONTENT:** on 15 December 2020, Germany submitted an application for a financial contribution from the EGF, in respect of redundancies in the company GMH Guss GmbH in Germany.

Following the examination of this application, the Commission concluded, in accordance with all relevant provisions of the EGF Regulation, that the conditions for a financial contribution from the EGF have been met.

### ***Grounds for the application***

Germany submitted the application under the intervention criterion of Article 4(1)(a) of the EGF Regulation, which requires at least 500 workers to be made redundant over a reference period of four months in an enterprise in a Member State.

The application concerns 585 workers made redundant by four subsidiaries of GMH Guss GmbH. This enterprise operates in the manufacture of basic metals sector. The redundancies occurred in the NUTS 2 regions of Düsseldorf and Arnsberg. These sites are located in the Ruhr area, the traditional industrial region of North Rhine-Westphalia.

The four-month reference period runs from 31 July 2020 to 30 November 2020.

### ***Link between the redundancies and a global financial and economic crisis***

Germany argues that the German foundry industry is facing profound challenges such as changes in international trade in goods and services, as well as the relocation of activities to third countries.

While in 2019 it was the largest producer of foundry products in the EU, producing more than twice as much as Italy and three times as much as France, Germany had only a 5% share of global production, behind China (45.5%), India (11%) and the US (8.8%).

In the automotive industry, which is one of the main customers of German metal foundries, Asia is now largely dominant, with a 54% market share of global car production in 2019. For the first time in their history, German car manufacturers produced more cars in China than in Germany. Overall, car production in 2019 fell to its lowest level since 1996.

In addition, in the European market, the entire car industry is tending to relocate production or parts of the supply chain to Eastern Europe, including to non-EU countries.

As far as truck manufacturers are concerned, production of vehicles over 3.5 tonnes in Germany has roughly halved from 256 131 vehicles in 2008 to 133 997 in 2019. China now dominates the world market, with a 40% market share of global production.

Lastly, in the shipbuilding industry, annual production in Europe has halved in the period 2011-2019 compared to the period 2002-2010.

These globalisation-related challenges have put the metal casting industry under severe pressure and led to an 8.9% decline in the total production of foundry products in Germany between 2018 and 2019.

The facts behind the redundancies are the insolvency proceedings against GMH Guss. While one subsidiary, Dieckerhoff Guss GmbH, has been fully closed, the others have been partially closed and are currently subject to insolvency proceedings.

The redundancies are expected to have a significant negative effect on the local economy. Between September 2019 and September 2020, the unemployment rate in North Rhine-Westphalia rose from 6.5% to 7.9% and from 9% to 10.7% in the Ruhr region. The Covid-19 pandemic has further aggravated the consequences for the labour market.

### ***Beneficiaries***

Of the 585 eligible persons, an estimated 476 redundant workers are expected to participate in the measures.

The personalised services to be provided to the redundant workers include the following actions: (i) upskilling measures, including German language courses which can be provided to participants with a migratory background; (ii) peer groups and discussion workshops; (iii) business start-up assistance; (iv) job search assistance; (v) guidance counselling and vocational orientation; (vi) international job counselling; (vi) follow-up mentoring; and (vii) training allowance.

The proposed actions are active labour market measures and do not substitute for passive social protection measures.

The total estimated cost amounts to EUR 1 802 845, including EUR 1 730 731 for personalised services and EUR 72 114 for preparation, management, information and publicity, monitoring and reporting.

### ***Budget proposal***

The annual allocation to the EGF does not exceed EUR 186 million (in 2018 prices), as foreseen in Council Regulation (EU, Euratom) 2020/2093 laying down the multiannual financial framework for the years 2021-2027.

Following the assessment of the application, the Commission proposes to mobilise the EGF for an amount of EUR 1 081 706, representing 60% of the total cost of the proposed actions, in order to provide a financial contribution for the application.

## **Mobilisation of the European Globalisation Adjustment Fund: redundancies in the metal manufacturing industry in Germany**

2021/0107(BUD) - 07/06/2021 - Budgetary text adopted by Parliament

The European Parliament adopted by 670 votes to 22, 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 (EGF), following the application submitted by Germany - EGF/2020 /003 DE/GMH Guss.

Parliament approved the proposal for a decision to mobilise the EGF to provide a financial contribution of **EUR 1 081 706** in commitment and payment appropriations from the Union budget for the financial year 2021, in response to the application submitted by Germany, which is facing redundancies in the metalworking sector.

This contribution represents 60 % of the total cost of EUR 1 802 845, corresponding to expenditure on personalised services of EUR 1 730 731 and expenditure on preparatory, management, information and publicity, monitoring and reporting activities of EUR 72 114.

### ***Link between the redundancies and globalisation***

The resolution noted that the German foundry industry is facing major challenges, such as the development of international trade in goods and services and Chinese overproduction, in particular in the automotive and machinery industries, as well as the relocation of activities to third countries, including EU candidate countries, where environmental standards are lower and industries are heavily subsidised.

Total German cast metal production decreased by 8.9% between 2018 and 2019 due to these globalisation challenges, affecting in particular North Rhine-Westphalia, where 25% of the German cast metals are produced.

### ***Eligible beneficiaries***

The application concerns **585 workers made redundant by four subsidiaries of GMH Guss GmbH** in Germany.

Most of the redundant workers are in the second half of their working careers, have low levels of qualification and often an insufficient command of the German language, with a large number of the beneficiaries being men with a migrant background.

The redundancies are expected to have a significant impact on the local economy, as they have taken place in a context of high unemployment (10.7% in September 2020) in the Ruhr region due to structural challenges since the 1960s and the consequences of the COVID-19 pandemic.

Members deplored the fact that Germany foresees that only 476 eligible beneficiaries, including 455 men and 21 women, mostly between 30 and 54 years of age, will participate in the measures.

### ***Personalised services***

Parliament believes that it is the EU's social responsibility to provide redundant workers with the skills needed for the **green and fair transformation of EU industry** in line with the European Green Deal, given that they work in a carbon-intensive sector.

Members therefore welcomed the personalised services provided by the EGF to workers, including retraining measures, German language courses, workshops, career guidance, employment counselling, as well as training allowances and business start-up assistance.

The resolution also welcomed the fact that the coordinated package of personalised services was developed by Germany in consultation with the social partners and that a monitoring committee composed of representatives of the Ministry of Labour and Social Affairs, the public employment services, the transfer company, representatives of the IG Metall trade union, the liquidators of the dismissing company and its subsidiaries, as well as representatives of the works councils, was set up to guide the EGF co-financed intervention.

