Basic information

2021/0337(BUD) BUD - Budgetary procedure	Procedure completed
Mobilisation of the European Globalisation Adjustment Fund: redundancies in warehousing and support activities for transportation in Italy **Subject** 3.20.10 Transport undertakings, transport industry employees 4.15.05 Industrial restructuring, job losses, redundancies, relocations, Globalisation Adjustment Fund (EGF) 8.70.51 2021 budget **Geographical area** Italy	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
BUDG Budgets	LEWANDOWSKI Janusz (EPP)	04/11/2021
	Shadow rapporteur GUALMINI Elisabetta (S&D) DLABAJOVÁ Martina (Renew) VANA Monika (Greens/EFA) RZOŃCA Bogdan (ECR) GRANT Valentino (ID) PAPADIMOULIS Dimitrios (The Left)	

Committee for opinion	Rapporteur for opinion	Appointed
EMPL Employment and Social Affairs	Chair on behalf of committee ĎURIŠ NICHOLSONOVÁ Lucia (Renew)	11/11/2021

Council of the European Union

European Commission

Commission DG	Commissioner
Budget	SCHMIT Nicolas

Key events

Date	Event	Reference	Summary
28/10/2021	Non-legislative basic document published	COM(2021)0935	Summary
10/11/2021	Committee referral announced in Parliament		
09/12/2021	Vote in committee		
10/12/2021	Budgetary report tabled for plenary	A9-0345/2021	
14/12/2021	Decision by Parliament	T9-0491/2021	Summary
15/12/2021	Draft budget approved by Council		
14/01/2022	Final act published in Official Journal		

Technical information

Procedure reference	2021/0337(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/9/07592

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE699.288	05/11/2021	
Specific opinion	EMPL	PE699.296	23/11/2021	
Amendments tabled in committee		PE699.316	23/11/2021	
Budgetary report tabled for plenary, 1st reading		A9-0345/2021	10/12/2021	
Budgetary text adopted by Parliament		T9-0491/2021	14/12/2021	Summary

European Commission

Document type	Reference	Date	Summary
Non-legislative basic document	COM(2021)0935	28/10/2021	Summary

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

Final act
Decision 2022/0048 OJ L 009 14.01.2022, p. 0035

Mobilisation of the European Globalisation Adjustment Fund: redundancies in warehousing and support activities for transportation in Italy

2021/0337(BUD) - 14/12/2021 - Budgetary text adopted by Parliament

The European Parliament adopted by 665 votes to 17, with 15 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) for workers made redundant following an application from Italy - EGF/2021/003 IT Porto Canale.

Parliament approved the proposal for a decision to mobilise the EGF to provide a **financial contribution of EUR 1 493 407** in commitment and payment appropriations from the Union budget for the financial year 2021 in response to an application from Italy facing redundancies in the warehousing and support transport services sector.

This contribution represents **85% of the total cost** of EUR 1 756 950, including expenditure of EUR 1 686 750 for personalised services and EUR 70 200 for the implementation of the EGF.

Events leading to the redundancies

The activity of the port of Cagliari declined between 2011 and 2018 while traffic dropped by 90% in 2018 due to the lack of land connection with the rest of Italy and the gradual shifting of container volumes and operations to hubs located at the edges of the Mediterranean basin.

In 2019, Contship Italia Group, the sole shareholder of Porto Industriale di Cagliari S.p.A, the concessionaire of the container terminal, decided to end its operations in Cagliari and to voluntarily liquidate its subsidiary Porto Industriale di Cagliari SpA. No new concessionaire was found despite three extensions, leading to the laying off of the 190 workers who were still part of the enterprise in September 2020.

Eligible beneficiaries

Members recalled that the application concerned a total of **190 redundant workers** whose activity had ceased at the company Porto Industriale di Cagliari SpA. The majority of the workers are men (90.5%) aged between 30 and 54 (98.4%) with an upper secondary or post-secondary education (83.7%).

The social consequences of the redundancies are expected to be considerable for the Sardinian economy, which was also badly hit by the COVID-19 crisis and where the employment rate fell by 4.6% in 2020, while it fell by only 2.0% in Italy as a whole. Due to the pandemic, the number of Sardinian households without labour income increased to 16.5% in 2020 (+3.5% compared to 2019).

Personalised services

Parliament recalled that the personalised services to be provided to workers include the following actions: (i) general information and vocational guidance; (ii) job search assistance, (iii) training; (iv) tutoring for business start-ups; (v) financial contribution to business start-ups, as well as incentives and contribution to specific costs. The application relates in total to 190 displaced workers whose activity has ceased. Italy expects all eligible beneficiaries (190 in total) to participate in the measures.

Members welcomed the possibility of introducing special time-limited measures within the coordinated package, including in particular the payment of childcare allowances. They also welcomed the fact that training will focus on the green economy, the blue economy, personal services, social and health services, promotion of cultural heritage and cultural activities.

Parliament noted that the social partners were fully involved in planning and fine-tuning the package of measures. It welcomed that the measures were planned to be in line with the Italian National Strategy for Sustainable Development (SNSvS) and that the co-ordinated package of personalised services was drawn up through a consultation between the Sardegna Region, ASPAL, the Municipality of Cagliari, the Cagliari Port Authority and trade unions.

In order to minimise the time taken to mobilise the EGF, this Decision should apply from the date of its adoption.

Mobilisation of the European Globalisation Adjustment Fund: redundancies in warehousing and support activities for transportation in Italy

2021/0337(BUD) - 28/10/2021 - Non-legislative basic document

PURPOSE: to mobilise the European Globalisation Adjustment Fund (EGF) to help Italy facing redundancies in the warehousing and support activities for transportation.

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

CONTENT: on 15 July 2021, Italy submitted an application for a financial contribution from the EGF, following redundancies in **Porto Canale** (Porto Industriale di Cagliari SpA) in Italy.

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

Grounds for the application

Italy submitted the application under the intervention criterion of Article 4(3), derogating from the criterion of Article 4(2)(a) of the EGF Regulation, which requires the cessation of activity of at least 200 displaced workers over a reference period of four months in an enterprise in a Member State, including workers displaced in suppliers and downstream producers and / or self-employed persons whose activity has ceased.

The application concerns **190 redundant workers** who ceased their activity in Porto Canale. The redundancies occurred in the NUTS 2 region of Sardinia. The four-month reference period runs from 1 September 2020 to 1 January 2021.

Events leading to redundancies and cessation of activity

Between 2011 and 2018, the tonnes in transit along the Suez Canal increased by 42%, while the activity of the Italian ports increased only by 2% and activity in the port of Cagliari has been steadily declining over this period.

The process of concentration involving global shipping lines has lead to changes in the transhipment operations in the Mediterranean Sea. Container volumes and operations have been moved to the hubs located at the edges of the Mediterranean basin, such as Piraeus, Port Said, Tanger-Med and Algeciras.

The Port of Cagliari has a significant disadvantage in the global trade network: it cannot offer land connections with the rest of Italy and Europe. In 2018, traffic fell by 90% and losses amounted to more than EUR 3 million. In 2019, the container terminal of Cagliari did not receive any ship calls during a few months, as a result of its main customer's (Hapag Lloyd) strategic choices.

Consequently, Contship Italia Group, the sole shareholder of Porto Industriale di Cagliari S.p.A, the concessionaire of the container terminal, decided to end its operations in Cagliari and to voluntarily liquidate its subsidiary Porto Industriale di Cagliari SpA.

The pandemic crisis has led to a significant deterioration of the Sardinian labour market, which due to its insularity far away from the mainland constitutes a small labour market.

Beneficiaries

All 190 displaced workers are expected to be eligible.

The **personalised services** to be provided to redundant workers include: (i) general information and career guidance; (ii) career development advice; (iii) job search assistance; (iv) mentoring to adapt to a new job; (v) business start-up support and contribution up to EUR 22 000; (vi) training related to logistics (goods movement, transport planning, etc.) and maintenance of machinery involved in freight distribution; (vii) recruitment incentives for companies recruiting former Porto Canale workers and reimbursement of mobility costs.

The measures were planned in line with the Italian national strategy for sustainable development. The training will improve the digital skills of the redundant workers.

The estimated total costs are EUR 1 756 950, comprising expenditure for personalised services of EUR 1 686 750 and expenditure for preparatory, management, information and publicity, control and reporting activities of EUR 70 200.

Budgetary proposal

The maximum annual amount should not exceed EUR 186 million (in 2018 prices), as laid down in Council Regulation (EU, Euratom) No 2020/2093 laying down the multiannual financial framework for the years 2021 to 2027.

Having examined the application, the Commission proposes to **mobilise the EGF for EUR 1 493 407**, representing 85 % of the total costs of the proposed measures, to provide a financial contribution for the application.