Basic information

2021/0356(BUD) BUD - Budgetary procedure	Procedure completed
Mobilisation of the European Globalisation Adjustment Fund: redundancies in the automotive industry in Spain **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) 8.70.51 2021 budget **Geographical area** Spain	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
BUDG Budgets	GONZÁLEZ PONS Esteban (EPP)	09/11/2021
	Shadow rapporteur GARDIAZABAL RUBIAL Eider (S&D) HOJSÍK Martin (Renew) VANA Monika (Greens/EFA) RZOŃCA Bogdan (ECR) 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
Employment, Social Affairs and Inclusion	SCHMIT Nicolas

Key events

Date	Event	Reference	Summary
08/11/2021	Non-legislative basic document published	COM(2021)0683	Summary
10/11/2021	Committee referral announced in Parliament		
09/12/2021	Vote in committee		
10/12/2021	Budgetary report tabled for plenary	A9-0344/2021	
14/12/2021	Decision by Parliament	T9-0493/2021	Summary
15/12/2021	Draft budget approved by Council		
14/01/2022	Final act published in Official Journal		

Technical information

Procedure reference	2021/0356(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/9/07610

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE699.344	11/11/2021	
Specific opinion	EMPL	PE700.393	23/11/2021	
Amendments tabled in committee		PE700.573	23/11/2021	
Budgetary report tabled for plenary, 1st reading		A9-0344/2021	10/12/2021	
Budgetary text adopted by Parliament		T9-0493/2021	14/12/2021	Summary

European Commission

Document type	Reference	Date	Summary
Non-legislative basic document	COM(2021)0683	08/11/2021	Summary

Additional information

Source	Document	Date
European Commission	EUR-Lex	

Final act
Decision 2022/0050 OJ L 009 14.01.2022, p. 0039

Mobilisation of the European Globalisation Adjustment Fund: redundancies in the automotive industry in Spain

2021/0356(BUD) - 08/11/2021 - Non-legislative basic document

PURPOSE: to mobilise the European Globalisation Adjustment Fund (EGF) to help Spain facing redundancies in the automotive sector.

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

CONTENT: on 26 July 2021, Spain submitted an application to mobilise the EGF, following **redundancies in the automotive sector in 50 enterprises in the Aragón region of Spain**.

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 are met.

Grounds for the application

The Spanish application is based on the intervention criteria of Article 4(2)(b) of the EGF Regulation, which requires the redundancy of at least 200 redundant workers, over a reference period of six months, in enterprises all operating in the same economic sector and located in one region or two contiguous regions at NUTS level 2 in a Member State.

The application concerns **592 redundant workers**. The four-month reference period runs from 1 November 2020 to 1 May 2021.

Events leading to the redundancies and closure

The events giving rise to these displacements are the impact on the Spanish automotive sector of the **COVID-19 pandemic** and the **shortage of semiconductors**.

The pandemic had a significant impact on the activity and turnover of the enterprises operating in the automotive sector in Spain, which resulted in a decline in sales (32.3%), production (18.9%), and turnover (11.3%) in 2020 compared to 2019. Production in June 2021 was lower by 33.8% compared to June 2019 and by 18.1% compared to June 2020.

The lockdown and the shortage of semiconductors forced to interrupt or slow down car production in Spain, which has led to subsequent job losses. It is estimated that the chip-crisis was forecast to lead to losses of approximately EUR 60 billion in the automotive sector. The figure has been revised upwards to over EUR 90 billion. The sector expects this issue to continue throughout the first half of 2022.

In Aragón, the automotive sector represents 2.42% of net employment and around 6% of regional GDP. Unemployment between February and June 2021 remains 26% higher than pre-pandemic levels (60 000 job seekers in June 2019).

Beneficiaries

An estimated **320 redundant workers** are expected to participate in the measures.

The **personalised services** to be provided to the redundant workers include: (i) general information and welcome sessions; (ii) vocational guidance; (iii) job search assistance; (iv) training, e.g. for soft and digital skills and reskilling; (v) incentives for participation in the measures and for outplacement.

The measures were planned in line with the Spanish circular economy strategy.

The estimated total costs are EUR 1 652 780, comprising expenditure for personalised services of EUR 1 600 280 and expenditure for preparatory, management, information and publicity, control and reporting activities of EUR 52 500.

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 1 404 863, representing 85 % of the total costs of the proposed measures, to provide a financial contribution for the application.

Mobilisation of the European Globalisation Adjustment Fund: redundancies in the automotive industry in Spain

2021/0356(BUD) - 14/12/2021 - Budgetary text adopted by Parliament

The European Parliament adopted by 665 votes to 27, with 5 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 Spain - EGF/2021/004 ES/Aragón automotive.

Parliament approved the proposal for a decision to mobilise the EGF to provide a **financial contribution of EUR 1 404 863** in commitment and payment appropriations from the Union budget for the financial year 2021 in response to the application submitted by Spain, which is facing redundancies in the automotive sector.

This contribution represents **85% of the total cost** of EUR 1 652 780, including EUR 1 600 280 for personalised services and EUR 52 500 for EGF implementation.

Events leading to the redundancies

The COVID-19 pandemic, the strict lockdown measures implemented in the second quarter of 2020 in Spain and the resulting shortage of semiconductors had a negative impact on the automotive sector in the country, so that between January and June 2021, vehicle production in Spain (1.2 million units) continued to show a 21.6% decrease compared to production in the same period of 2019.

Spain submitted an application for a financial contribution from the EGF following the redundancy of **592 workers** employed in the economic automotive sector in the region of Aragón. 460 workers were made redundant before or after the reference period of 1 November 2020 to 1 May 2021 as a consequence of the same events that triggered the redundancies of the workers made redundant in the reference period.

Eligible beneficiaries

Members noted that the application covered a total of **1 052 workers** made redundant in the Spanish automotive sector but regretted that Spain plans to have **only 320** of the total eligible beneficiaries participate in the measures. They called on local authorities to be more proactive in encouraging redundant workers to participate in the proposed actions.

Parliament drew attention to the fact that one third of the targeted beneficiaries are women (34.1%) and almost 40% are over 54 years old (39.7%). The social impact of the redundancies on the economy of Aragón, where 60% of jobseekers are women and 49% are in the over-50 age group, is expected to be considerable. In Aragón, the automotive sector represents 2.42% of net employment and around 6% of regional GDP. The number of registered jobseekers is now 26% higher than pre-pandemic levels (75 578 jobseekers in June 2021 compared to 60 000 in June 2019).

Personalised services

Parliament recalled that the personalised services to be provided to workers and self-employed persons include the following actions: (i) general information and welcome sessions; (ii) occupational guidance; (iii) intensive job-search assistance; (iv) horizontal training; (v) reskilling and upskilling; and (vi) financial incentives

Members encouraged the authorities to focus more on programs and actions designed with the **interests of women in mind** as they represent 34.1% of the targeted beneficiaries. They also stressed that the planned measures should be implemented in line with **Spain's circular economy strategy**, based on non-toxic material cycles and that training measures should cater to the requirement of disseminating the skills required in the digital industrial age and in a resource-efficient economy.

Parliament welcomed the fact that a coordinated package of personalised services has been designed in consultation with the social partners.

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