Basic information

2022/0010(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) 8.70.52 2022 budget **Geographical area** Spain	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
BUDG Budgets	VANA Monika (Greens/EFA)	16/12/2021
	Shadow rapporteur WINZIG Angelika (EPP) GARDIAZABAL RUBIAL Eider (S&D) RZOŃCA Bogdan (ECR) LAPORTE Hélène (ID)	

Committee for opinion	Rapporteur for opinion	Appointed
EMPL Employment and Social Affairs	Chair on behalf of committee PÎSLARU Dragoş (Renew)	27/01/2022

Council of the European Union

European Commission

Commission DG	Commissioner
Employment, Social Affairs and Inclusion	SCHMIT Nicolas

Key events

Date	Event	Reference	Summary

20/01/2022	Non-legislative basic document published	COM(2022)0020	Summary
27/01/2022	Committee referral announced in Parliament		
28/02/2022	Vote in committee		
02/03/2022	Budgetary report tabled for plenary	A9-0038/2022	
08/03/2022	Decision by Parliament	T9-0054/2022	Summary
09/03/2022	Draft budget approved by Council		
22/03/2022	Final act published in Official Journal		

Technical information

Procedure reference	2022/0010(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/9/07988

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE704.628	24/01/2022	
Specific opinion	EMPL	PE704.783	07/02/2022	
Amendments tabled in committee		PE704.813	07/02/2022	
Budgetary report tabled for plenary, 1st reading		A9-0038/2022	02/03/2022	
Budgetary text adopted by Parliament		T9-0054/2022	08/03/2022	Summary

European Commission

Document type	Reference	Date	Summary
Non-legislative basic document	COM(2022)0020	20/01/2022	Summary

Additional information

Source	Document	Date
European Commission	EUR-Lex	

Final act

Decision 2022/0458
OJ L 093 22.03.2022, p. 0144

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

2022/0010(BUD) - 20/01/2022 - 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 23 September 2021, Spain submitted an application for a financial contribution from the EGF, following displacements in the automotive sector (manufacture of motor vehicles, trailers and semi-trailers) in the region of Cataluña in Spain.

Following the assessment 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 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 cessation of activity of at least 200 displaced workers over a reference period of six months in enterprises operating in the same economic sector and located in one region or two contiguous regions defined at NUTS 2 level in a Member State.

There were **346 displaced workers** in the NUTS 2 region of Cataluña in Spain. The six-month reference period for the application runs from 1 January 2021 to 1 July 2021. In addition, **359 workers** were dismissed after the six-month reference period.

Events leading to the economic crisis

The automotive industry is the third most important sector in Catalonia (after chemicals and food) both in terms of turnover and employment. The turnover of the automotive industry (EUR 23.8 billion) represents more than 10% of the region's GDP. The sector provides around 143 000 jobs (direct, indirect and induced jobs), that represents 4.2% of the Catalan employed population.

The event giving rise to these displacements is Nissan’s decision to stop activities and close down its plant in Catalonia. On 27 May 2020, Renault, Nissan and Mitsubishi presented their new strategic plan based on a leader-follower scheme and on complementarity between companies. Each company would focus on a particular type of vehicle, per product segment i.e. the leading company will engineer one mother vehicle (leader car) and sister vehicles with the support of the followers’ teams. Each enterprise will also focus on its core regions. Under this scheme, Nissan will focus on China, North America and Japan; Renault on Europe, Russia, South America and North Africa; and Mitsubishi on Southeast Asia and Oceania.

The following day, triggered by the steady contraction of the EU market share in global passenger car production, Nissan confirmed its intentions to reduce its presence in Europe to refocus on more profitable markets and announced the closure of its plant in Barcelona.

The closure of Nissan’s plant in Barcelona resulted in more than 2 500 direct redundancies and the loss of 8 000 jobs among its suppliers (3 000 among top-tier suppliers, those who negotiate directly with vehicle manufacturers, and additional 5 000 among smaller suppliers).

Beneficiaries

Out of 705 redundant workers, it is estimated that **450 redundant workers** should participate in the measures.

The personalised services to be provided to the redundant workers include the following actions: (i) general information on vocational counselling and training programmes and available incentives; (ii) occupational guidance; (iii) training and reskilling; (iv) support and contribution to business creation of up to EUR 5000; (v) tutoring and (vi) incentives.

The measures have been designed in line with the Spanish circular economy strategy.

The estimated total costs are EUR 3 288 419, comprising expenditure for personalised services of EUR 3 138 300 and expenditure for preparatory, management, information and publicity, control and reporting activities of EUR 150 119.

Budget proposal

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

Following the examination of the application, the Commission proposes to mobilise the EGF for **EUR 2 795 156**, representing 85 % of the total costs of the proposed measures, in order to provide a financial contribution for the application.

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

2022/0010(BUD) - 08/03/2022 - Budgetary text adopted by Parliament

The European Parliament adopted by 665 votes 28, with 3 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/2021/006 ES/Cataluña automotive.

Parliament approved the proposal for a decision to mobilise the EGF to provide a financial contribution of **EUR 2 795 156** in commitment and payment appropriations from the Union budget for the financial year 2022 in response to the application submitted by Spain for assistance with redundancies in the automotive sector (manufacture of motor vehicles, trailers and semi-trailers) in the region of Catalonia.

This contribution represents 85% of the total cost of EUR 3 288 419, including EUR 3 138 300 for personalised services and EUR 150 119 for EGF implementation.

Events leading to the redundancies

On 28 May 2020, Nissan announced the closure of its plant in Barcelona, resulting in more than 2 500 direct redundancies and the loss of 8 000 jobs among its suppliers. The redundancies referred to in this request are concentrated in four counties in the region of Barcelona (Barcelonès, Alt Penedés, Baix Llobregat and Vallès Oriental), where a large number of companies in the automobile sector are located.

Members also noted that the social consequences of the redundancies are likely to be significant for Catalonia, where the automotive industry is the third most important sector (after chemicals and food), both in terms of turnover and employment.

Beneficiaries

The application relates in total to **705 displaced workers** whose activity has ceased. In addition, Spain expects that 450 out of the total eligible beneficiaries will participate in the measures.

Members recalled that 34.9% of the targeted beneficiaries are over 54 years of age, 44.4% are women and 50.4% have a lower secondary education or less. They stressed the importance of ensuring that the specificities related to age, educational level and the combination of both factors are duly taken into account when implementing the personalised service package.

Personalised services

Parliament recalled that the personalised services to be provided to displaced workers for a total of 37.8% of the financial support include the following actions: (i) workshops on job search methods, (ii) occupational guidance, (iii) training (horizontal competencies, re-skilling, up-skilling and internships, as well as vocational training), (iv) entrepreneurship support, (v) business creation grants, (vi) intensive job-search assistance including identifying local and regional job perspectives, (vii) tutoring after reintegration into work and various financial incentives.

Members welcomed the fact that the co-ordinated package of personalised services was planned to be in line with the **Spanish Circular Economy Strategy** and that the EGF application was supported through a process involving the social partners. They asked that the social partners be involved in the implementation and evaluation of the service package.

Lastly, stressing that the **digital and green transformation** will have a significant effect on the labour market and the automotive sector, Parliament recalled the important role that the EU should play in providing the necessary qualifications for the just transformation in line with the European Green Deal.

Members called for particular attention to be paid to qualified education, including vocational training and promoting the so-called dual apprenticeship system, which has proven to be effective in several Member States.