Basic information

2023/0152(BUD) BUD - Budgetary procedure	Procedure completed
Mobilisation of the European Globalisation Adjustment Fund: redundancies in warehousing and support activities for transportation in Belgium **Subject** 3.20.10 Transport undertakings, transport industry employees 4.15.05 Industrial restructuring, job losses, redundancies, relocations, Globalisation Adjustment Fund (EGF) 8.70.53 2023 budget **Geographical area** Belgium	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
BUDG Budgets	STAVROU Eleni (EPP)	31/05/2023
	Shadow rapporteur KÖRNER Moritz (Renew) VANA Monika (Greens/EFA) RZOŃCA Bogdan (ECR) KUHS Joachim (ID)	

Committee for opinion	Rapporteur for opinion	Appointed
EMPL Employment and Social Affairs	TOMC Romana (EPP)	13/04/2023
REGI Regional Development	The committee decided not to give an opinion.	

Council of the European Union

Key events

Date	Event	Reference	Summary
06/06/2023	Non-legislative basic document published	COM(2023)0210	Summary

12/06/2023	Committee referral announced in Parliament		
29/06/2023	Vote in committee		
03/07/2023	Budgetary report tabled for plenary	A9-0228/2023	Summary
11/07/2023	Decision by Parliament	T9-0255/2023	Summary
11/07/2023	Results of vote in Parliament		
12/07/2023	Draft budget approved by Council		
28/07/2023	Final act published in Official Journal		

Technical information

Procedure reference	2023/0152(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/9/12123

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE749.320	07/06/2023	
Amendments tabled in committee		PE749.991	16/06/2023	
Specific opinion	EMPL	PE750.151	22/06/2023	
Budgetary report tabled for plenary, 1st reading		A9-0228/2023	03/07/2023	Summary
Budgetary text adopted by Parliament		T9-0255/2023	11/07/2023	Summary

European Commission

Document type	Reference	Date	Summary
Non-legislative basic document	COM(2023)0210	06/06/2023	Summary

Additional information

Source	Document	Date
European Commission	EUR-Lex	

Final act

Decision 2023/1558
OJ L 190 28.07.2023, p. 0004

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

2023/0152(BUD) - 03/07/2023 - Budgetary report tabled for plenary, 1st reading

The Committee on Budgets adopted the report by Eleni STAVROU (EPP, CY) on the proposal for a decision of the European Parliament and of the Council on the mobilisation of the European Globalisation Adjustment Fund, amounting to **EUR 2 153 358** in commitment and payments appropriations, to assist Belgium facing redundancies in the warehousing and ancillary transport services sector at Logistics Nivelles SA (LNSA) and one of its suppliers in Belgium.

Belgian application

Belgium submitted application EGF/2023/001 BE/ LNSA for a financial contribution from the European Globalisation Adjustment Fund (EGF), following **603 redundancies** in the economic sector classified under the NACE Revision 2 division 52 (Warehousing and support activities for transportation) in the province Brabant Wallon, within a reference period for the application from 23 August 2022 to 23 December 2022.

Members agreed with the Commission that the conditions set out in Article 4(2), point (a), of the EGF Regulation are met and that Belgium is entitled to a financial contribution of EUR 2 153 358 under that Regulation, which represents 85 % of the total cost of EUR 2 533 363, comprising expenditure for personalised services of EUR 2 484 363 and expenditure for preparatory, management, information and publicity, control and reporting activities of EUR 49 000.

Events leading to the displacements

LNSA used to provide logistics services regarding fresh and dry food products, wines and spirits to Carrefour. The redundancies resulted from the decision of LNSA's parent company Kuehne + Nagel to close down its Belgian subsidiary, following financial difficulties of LNSA and significant losses of the company in 2020, which exceeded the total budget for 2020, and in 2021 losses again higher than expected. Kuehne + Nagel decided to turn its regional distribution into a national distribution and to rely on its subsidiary Kontich NV to supply Carrefour stores across Belgium.

Eligible beneficiaries

The application relates to 603 workers made redundant in the companies Logistics Nivelles SA (LNSA) and SuperTransport SA/NV, a supplier of LNSA. The displacements in LNSA are expected to particularly impact workers that are **over 50 years old** and/or low skilled, as they are more difficult to re-integrate into stable employment. 53.3 % of LNSA former workers are older than 45 years and the majority of LNSA workers had a handler profile.

Personalised services

Members recalled that personalised services to be provided to the workers and self-employed persons consist of the following actions: (i) information services, (ii) job-search assistance, (iii) occupational guidance and outplacement assistance, (iv) training, retraining and vocational training, (v) support towards and contribution to business creation, as well as incentives and allowances.

Members welcomed that Belgium started providing personalised services to the targeted beneficiaries on 1 August 2022 and that the period of eligibility for a financial contribution from the EGF will therefore be from 1 August 2022 until 24 months after the date of the entry into force of the financing decision. They strongly supported the fact that, during the 2021-2027 MFF period, the EGF will continue to show solidarity with persons affected and maintain the focus on the impact of restructuring on workers.

Lastly, the report reiterated that assistance from the EGF must not replace actions which are the responsibility of companies, by virtue of national law or collective agreements, or any allowances or rights of the displaced workers, to ensure full additionality of the allocation.

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

2023/0152(BUD) - 11/07/2023 - Budgetary text adopted by Parliament

The European Parliament adopted by 590 votes to 46, with 2 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 to assist workers made redundant in response to a request from Belgium - EGF/2023/001 BE/LNSA.

Parliament approved the proposal for a decision to mobilise the EGF in order to provide a financial contribution of **EUR 2 153 358** in commitment and payment appropriations from the Union budget for the financial year 2023, in response to the application submitted by Belgium following redundancies in the warehousing and ancillary transport services sector at Logistics Nivelles SA (LNSA) and one of its suppliers in Belgium.

This contribution represents 85% of the total cost of EUR 2 533 363, which includes EUR 2 484 363 for personalised services and EUR 49 000 for preparation, management, information and publicity, monitoring and reporting.

Events giving rise to redundancies

The COVID-19 pandemic and the Russian war of aggression against Ukraine have reduced economic competitiveness and have a negative impact on economic growth in Belgium.

LNSA used to provide logistics services regarding fresh and dry food products, wines and spirits to Carrefour. The redundancies resulted from the decision of LNSA's parent company Kuehne + Nagel to close down its Belgian subsidiary, following financial difficulties of LNSA and significant losses of the company in 2020, which exceeded the total budget for 2020, and in 2021 losses again higher than expected. Kuehne + Nagel decided to turn its regional distribution into a national distribution and to rely on its subsidiary Kontich NV to supply Carrefour stores across Belgium. No worker was relocated between logistic centres of Kuehne + Nagel.

Beneficiaries

The application concerns **603 workers made redundant** at Logistics Nivelles SA (LNSA) and SuperTransport SA/NV, a supplier of LNSA.

Members pointed out that the redundancies at LNSA are likely to have a particular impact on workers aged over 50 and/or with low qualifications, as it is more difficult for them to return to stable employment, particularly given that the unemployment rate in Walloon Brabant is 8.4%, 2.8 points higher than the national level, and that over 30% of jobseekers registered in February 2023 were over 50.

Personalised services

Members recalled that personalised services to be provided to the workers and self-employed persons consist of the following actions: information services, job-search assistance, occupational guidance and outplacement assistance, training, retraining and vocational training, support towards and contribution to business creation, as well as incentives and allowances.

Members welcomed the fact that the co-ordinated package of personalised services was drawn up by Belgium in consultation with targeted beneficiaries, their representatives and social partners.

Parliament welcomed the inclusion of a **module on circular economy** and efficient use of resources that was developed for former Swissport workers as part of the Regional Public Employment and Vocational Training Service (Forem) standard training offer, which will be co-financed by the ESF+.

Members reiterated in this context the important role the Union should play in providing the **necessary qualifications for the just transformation** in line with the European Green Deal. They strongly supported the fact that, during the 2021-2027 MFF period, the EGF will continue to show solidarity with persons affected and maintain the focus on the impact of restructuring on workers; calls for future applications to maximise policy coherence.

Taking account of the digital and green transformation on the labour market, especially in the logistics sector, Members called for special 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 other Member States.

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

2023/0152(BUD) - 06/06/2023 - Non-legislative basic document

PURPOSE: to mobilise the European Globalisation Adjustment Fund (EGF) to support Belgium in the face of displaced workers in the warehousing and ancillary transport services sector at **Logistics Nivelles** SA (LNSA) and one of its suppliers in Belgium.

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

CONTENT: on 17 February 2023, Belgium submitted an application to mobilise the EGF, following redundancies in Logistics Nivelles SA (LNSA) and one of its suppliers in Belgium.

Following an examination of this application, the Commission has 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

Belgium submitted this application under the intervention criteria of Article 4(2)(a) of the EGF Regulation, which requires at least 200 workers to be made redundant over a reference period of four months in an undertaking in a Member State.

The application concerns displaced workers whose activity has ceased at Logistics Nivelles SA (LNSA) (**447 workers**) and SuperTransport SA/NV, a supplier of Logistics Nivelles (**95 workers**). The total number of eligible workers is **542**. The four-month reference period runs from 23 August 2022 to 23 December 2022.

Events leading to the displacements and cessation of activity

The event leading to the redundancies is the decision by Kuehne+Nagel (K+N) to close down its Belgian subsidiary LNSA. The company has been facing financial difficulties in the past years. In 2020, LNSA's losses were higher than the total budget and a capital increase was necessary to offset the losses. In 2021, the losses were again higher than expected. LNSA could not continue in business in the long or medium term without profit or without breaking even. LNSA provides logistics services regarding fresh and dry food products, wines and spirits to Carrefour. With a view to renewing the contract with Carrefour, K+N carried out a study to define a future network, which would improve services at competitive costs. Based on the study results, K+N decided to turn its regional distribution of fresh and dry foods into a national distribution. That is, instead of delivering to northern stores from Logistics Kontich NV (Kontich) and to southern stores from LNSA, to make all deliveries from Kontich and close LNSA down.

Kontich was chosen because it was 25% more productive than LNSA, had lower stock variances and a more favourable geographical location.

Although LNSA was located in the province of Walloon Brabant, the redundancies also affected Hainaut, where 86.3% of the displaced workers live. In February 2023, the number of registered jobseekers rose by 9.8% year-on-year in Hainaut and by 3.7% in Walloon Brabant. The Walloon authorities argue that the displacements at LNSA will have a particular impact on two categories of workers (low-skilled workers and workers aged over 50) who are already disadvantaged in the regional labour market.

Beneficiaries

In addition to the 542 workers already mentioned, the eligible beneficiaries include 61 displaced workers whose activity ceased before or after the four-month reference period. This brings the total number of **eligible beneficiaries to 603**.

The personalised services to be provided to displaced workers include the following measures: (i) information services, career guidance and outplacement assistance; (ii) training, retraining and vocational training; (iii) business start-up support; (iv) business start-up contribution; (iv) incentives and allowances: job search and training allowances, bonus for improving computer and language skills, allowance for returning to education.

The total estimated cost is EUR 2 533 363, including EUR 2 484 363 for personalised services and EUR 49 000 for preparation, management, information and publicity, monitoring and reporting.

Budget proposal

The EGF should not exceed a maximum annual amount of EUR 186 million (in 2018 prices), in accordance with Article 8 of Council Regulation (EU, Euratom) No 2020/2093 laying down the multiannual financial framework for the years 2021 to 2027.

Following examination of the application, the Commission proposes to **mobilise the EGF, to the amount of EUR 2 153 358**, representing 85% of the total cost of the proposed measures, in order to provide a financial contribution for the application.