Basic information

2023/0352(BUD) BUD - Budgetary procedure	Procedure completed
Mobilisation of the European Globalisation Adjustment Fund: redundancies in the retail trade sector in Belgium **Subject** 3.40.17 Manufactured goods 4.15.05 Industrial restructuring, job losses, redundancies, relocations, Globalisation Adjustment Fund (EGF) 8.70.53 2023 budget	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
BUDG Budgets	SARVAMAA Petri (EPP)	03/10/2023
	Shadow rapporteur LARROUTUROU Pierre (S&D) CHASTEL Olivier (Renew) VANA Monika (Greens/EFA) RZOŃCA Bogdan (ECR) PAPADIMOULIS Dimitrios (The Left)	

Committee for opinion	Rapporteur for opinion	Appointed
EMPL Employment and Social Affairs	TOMC Romana (EPP)	12/10/2023
REGI Regional Development	The committee decided not to give an opinion.	

Council of the European Union

European Commission

Commission DG	Commissioner
Budget	HAHN Johannes

Key events

Date	Event	Reference	Summary
12/10/2023	Non-legislative basic document published	COM(2023)0470	Summary
16/10/2023	Committee referral announced in Parliament		
07/11/2023	Vote in committee		
09/11/2023	Budgetary report tabled for plenary	A9-0351/2023	
22/11/2023	Decision by Parliament	T9-0414/2023	Summary
22/11/2023	Results of vote in Parliament		
22/11/2023	Draft budget approved by Council		
06/12/2023	Final act published in Official Journal		

Technical information

Procedure reference	2023/0352(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/9/13329

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE754.729	13/10/2023	
Specific opinion	EMPL	PE754.835	25/10/2023	
Amendments tabled in committee		PE754.987	26/10/2023	
Budgetary report tabled for plenary, 1st reading		A9-0351/2023	09/11/2023	
Budgetary text adopted by Parliament		T9-0414/2023	22/11/2023	Summary

European Commission

Document type	Reference	Date	Summary
Non-legislative basic document	COM(2023)0470	12/10/2023	Summary

Additional information

Source	Document	Date

European Commission	EUR-Lex	

Final act
Decision 2023/2748 OJ L 000 06.12.2023, p. 0000

Mobilisation of the European Globalisation Adjustment Fund: redundancies in the retail trade sector in Belgium

2023/0352(BUD) - 12/10/2023 - Non-legislative basic document

PURPOSE: to mobilise the European Globalisation Adjustment Fund (EGF) to support Belgium in the face of redundancies in the retail sector at Makro Cash & Carry Belgium NV.

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

CONTENT: on 3 July 2023, Belgium submitted application EGF/2023/002 BE/Makro for a financial contribution from the EGF, in respect of redundancies in Makro Cash & Carry Belgium NV (Makro) and in Belgium.

Following the 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.

Reasons for the application

Belgium submitted the application under the intervention criteria of Article 4(2), point (a), of Regulation (EU) 2021/691, 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.

The application relates to **1 431 displaced workers** whose activity has ceased in Makro. The redundancies are located in the NUTS 2 regions of Provincie Antwerpen (BE21), Provincie Oost-Vlaanderen (BE23), Provincie Vlaams-Brabant (BE25), Province Hainaut (BE32), and Province Liège (BE33). The reference period of four months for the application runs from 10 January 2023 to 10 May 2023.

Description of the events that led to the displacements and cessation of activity

In 1970, Makro Cash &Carry Belgium NV opened stores for self-employed, liberal profession practitioners, and hospitality professionals selling food and non-food products. In 2017, after about ten years of financial difficulties, the enterprise decided to open access of its Makro shops also to general customers, whilst its Metro shops remained limited to food and beverage services professionals (hotels, restaurants, and caterers).

Despite the decision, the losses amounted to EUR 67 million in the financial year 2018/2019 and EUR 44 million in 2019/2020. Makro's sales continued to decline.

During the pandemic, the hospitality sector stopped activity for several months, affecting Makro's sales line for food and beverage services professionals. Makro's sales line for general customers was affected as well, because of mandatory closures of non-food stores and non-food aisles in supermarkets, which led to a drop in sales and an increased use of ecommerce, that has continued after the restrictive measures were lifted.

On 1 September 2022, Makro applied for judicial reorganisation by transfer of undertakings under judicial authority to the Antwerp Business Court. A tender process for the enterprise started.

Makro’s sale line for general customers (branded as Makro) consisted in 6 stores. The receivers rejected the only offer for the Makro stores because it did not meet the bidding requirements and was not sound. Makro was declared bankrupt on 10 January 2023 and 1 431 workers were made redundant.

Makro stores for general customers were in Flanders (four stores) and in Wallonia (two stores). Due to the differences between the Flemish and the Walloon labour markets, the territorial impact of the redundancies varies.

In the first quarter of 2023, the employment rate in Flanders was 77.3%. The employment rate in Wallonia was 65% (12.3% lower than in Flanders). In the Walloon labour market, the registered job seekers aged fifty or more represent about 25% of the total job seekers in March 2023. Two out of three Makro redundant workers (65%) are over 50 years old. Makro workforce is essentially made up of cashiers and warehouse workers. For these workers, it is more difficult to re-integrate into employment.

Beneficiaries

An estimated **421** redundant workers are expected to participate in the measures (189 men and 232 women).

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

The total estimated cost is EUR 3 327 322. This includes expenditure on personalised services amounting to EUR 3 233 822 and expenditure on preparatory, management, information and publicity activities, as well as monitoring and reporting activities, amounting to EUR 93 500.

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 provide a financial contribution of EUR 2 828 223**, representing 85% of the total cost of the proposed measures.

Mobilisation of the European Globalisation Adjustment Fund: redundancies in the retail trade sector in Belgium

2023/0352(BUD) - 22/11/2023 - Budgetary text adopted by Parliament

The European Parliament adopted by 598 votes to 28, 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 for workers made redundant following an application from Belgium - EGF/2023/002 BE/Makro.

Parliament approved the proposal for a decision to mobilise the EGF in order to provide a **financial contribution of EUR 2 828 223** in commitment and payment appropriations from the EU budget for the financial year 2023, in response to the application submitted by Belgium following the redundancy of 1 431 workers at Makro Cash & Carry Belgium NV (Makro NV).

This contribution represents 85 % of the total cost of EUR 3 327 322, comprising expenditure for personalised services of EUR 3 233 822 and expenditure for preparatory, management, information and publicity, control and reporting activities of EUR 93 500.

Events leading 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.

Makro NV used to run eleven stores for food and non-food products open to food and beverage services professionals (”Metro” brand) and six such stores open to general customers (“Makro” brand). Following years of financial difficulties and declining sales Makro NV applied for judicial reorganisation in 2022. The redundancies resulted from the absence of any sound offer for taking over the Makro brand and its subsequent bankruptcy.

Beneficiaries

The application relates to **1 431 workers made redundant** in the company Makro Cash & Carry Belgium NV. 421 workers will be targeted beneficiaries in total, corresponding to the number of former Makro workers in Wallonia while the Flemish regional authorities consider that there is no need to top-up the support available to former Makro workers in Flanders with co-financing from the EGF.

The displacements in Makro are particularly impacting workers that are over 50 years old and/or low skilled.

Personalised services

Members called that the personalised services to be provided to the workers and self-employed persons consist of the following actions: information services, occupational guidance and outplacement assistance, training, retraining and vocational training, support towards and contribution to business creation, as well as incentives and allowances; welcomes that particular attention will be paid to vulnerable people in a situation of psychological distress, indebtedness, or disability through professionals specialised in assisting these groups.

Parliament welcomed the inclusion of a module on circular economy and efficient use of resources that was developed for former Swissport workers (EGF/2020/005 BE) 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.