Basic information

2024/0044(BUD) BUD - Budgetary procedure	Procedure completed
Mobilisation of the European Globalisation Adjustment Fund: redundancies in the food industry in Denmark **Subject** 3.40.13 Food industry 4.15.05 Industrial restructuring, job losses, redundancies, relocations, Globalisation Adjustment Fund (EGF) 8.70.54 2024 budget **Geographical area** Denmark	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
BUDG Budgets	LEWANDOWSKI Janusz (EPP)	28/02/2024
	Shadow rapporteur LARROUTUROU Pierre (S&D) 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 PÎSLARU Dragoş (Renew)	05/03/2024
REGI Regional Development	The committee decided not to give an opinion.	

Council of the European Union

European Commission

Commission DG	Commissioner
Employment, Social Affairs and Inclusion	SCHMIT Nicolas

Key events

Date	Event	Reference	Summary
29/02/2024	Non-legislative basic document published	COM(2024)0035	Summary
29/02/2024	Committee referral announced in Parliament		
08/04/2024	Vote in committee		
09/04/2024	Budgetary report tabled for plenary	A9-0171/2024	
24/04/2024	Decision by Parliament	T9-0332/2024	Summary
24/04/2024	Results of vote in Parliament		
24/04/2024	Draft budget approved by Council		
08/05/2024	Final act published in Official Journal		

Technical information

Procedure reference	2024/0044(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/9/14308

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE759.752	05/03/2024	
Amendments tabled in committee		PE759.852	26/03/2024	
Specific opinion	EMPL	PE759.835	02/04/2024	
Budgetary report tabled for plenary, 1st reading		A9-0171/2024	09/04/2024	
Budgetary text adopted by Parliament		T9-0332/2024	24/04/2024	Summary

European Commission

Document type	Reference	Date	Summary
Non-legislative basic document	COM(2024)0035	29/02/2024	Summary

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

Final act	
Decision 2024/1299 OJ OJ L 08.05.2024	Summary

Mobilisation of the European Globalisation Adjustment Fund: redundancies in the food industry in Denmark

2024/0044(BUD) - 29/02/2024 - Non-legislative basic document

PURPOSE: to mobilise the European Globalisation Adjustment Fund (EGF) to support Denmark in the face of redundancies in the sector of food product manufacturing.

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

CONTENT: on 6 December 2023, Denmark submitted an application EGF/2023/004 DK/Danish Crown for a financial contribution from the EGF, following displacements in Danish Crown and 2 suppliers and downstream producers in Denmark.

Following its assessment of this application, the Commission has concluded, in accordance with all applicable provisions of the EGF Regulation, that the conditions for awarding a financial contribution from the EGF are met.

Grounds for the application

Denmark submitted the application under the intervention criteria of Article 4(2), point (a), of the EGF Regulation, which requires the cessation of activity of at least 200 displaced workers over a reference period of four months.

The application relates to 692 displaced workers whose activity has ceased in Danish Crown (Danish Crown A/S) and 2 suppliers and downstream producers. The primary enterprise operates in the economic sector classified under the NACE Revision 2 division 10 (Manufacture of food products). The reference period of four months for the application runs from 19 May 2023 to 19 September 2023.

Events leading to the displacements and cessation of operations

Danish Crown is a group of Danish food companies engaged in the butchery, processing and sale of primarily pork and beef. The event giving rise to these displacements is the closure of Danish Crown's slaughterhouse in Sæby in Frederikshavn Municipality following the decline of pig available for slaughtering.

The Danish slaughterhouse sector is in a structural crisis. Since 2005, the number of pigs slaughtered in Denmark has decreased by 4.4 million (20 %). The decline is largely due to the shift from raising pigs for slaughter to raising piglets for export. Exporting piglets is more profitable for Danish farmers than fattening pigs for slaughter due to low pork prices.

The number of pigs slaughtered has been decreasing in parallel with the increase in piglets exported. Denmark exported 13.8 million piglets in 2022, 380 % more than in 2005 (3.65 million piglets). Most exports went to Germany (41.3 %) and Poland (45 %). Germany and Poland have been plagued by African swine fever for several years, so they have not been able to raise enough pigs to meet their domestic demand.

Local demand drives Danish production of pork only to a limited extent. Danish Crown exports 90 % of its production to the European, Chinese and US markets.

Beneficiaries

The estimated number of displaced workers expected to participate in the following measures is 390.

The personalised services to be provided to the redundant workers include the following actions: (i) motivation; (ii) retention; (iii) training on general competences; (iv) upskilling/reskilling training; (v) training/job-search allowance.

The estimated total costs are EUR 3 137 021, comprising expenditure for personalised services of EUR 2 878 001 and expenditure for preparatory, management, information and publicity, control and reporting activities of EUR 259 020.

Budgetary proposal

The EGF should not exceed a maximum annual amount of 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 the amount of EUR 1 882 212, representing 60 % 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 food industry in Denmark

2024/0044(BUD) - 24/04/2024 - Budgetary text adopted by Parliament

The European Parliament adopted by 590 votes to 24, with 12 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 Displaced Workers following an application from Denmark – EGF /2023/004 DK/Danish Crown.

Parliament approved the proposal for a decision to mobilise the EGF to provide a financial assistance contribution of **EUR 1 882 212** in commitment and payment appropriations from the EU budget for the financial year 2024, in response to the application submitted by Denmark following the displacement of 751 displaced workers affected by the closure of Danish Crown's slaughterhouse in Sæby in the Frederikshavn Municipality.

The contribution represents 60 % of the total cost of EUR 3 137 021, comprising expenditure for personalised services of EUR 2 878 001 and expenditure for preparatory, management, information and publicity, control and reporting activities of EUR 259 020.

Events leading to redundancies

The Danish slaughterhouse sector is in a structural crisis. Since 2005, the number of pigs slaughtered in Denmark has decreased by 4.4 million (20 %). The decline is largely due to the shift from raising pigs for slaughter to raising piglets for export. Exporting piglets is more profitable for Danish farmers than fattening pigs for slaughter due to low pork prices.

Danish Crown is a group of Danish food companies engaged in the butchery, processing and sale of primarily pork and beef. The event giving rise to these displacements is the closure of Danish Crown's slaughterhouse in Sæby in Frederikshavn Municipality following the decline of pig available for slaughtering.

Beneficiaries

The application relates to **751 displaced workers** affected by the closure of Danish Crown's slaughterhouse in Sæby. Furthermore, 390 displaced workers in total will be targeted beneficiaries and are expected to participate in the measures.

Most of the displaced workers have low levels of formal qualifications (46 %) or rather outdated qualifications and skills (40 %). 305 (41%) of the displaced workers are of a migrant background and are not fluent in Danish. The EGF package also proposes measures on improving general competences including improving language skills in Danish.

Personalised services

Personalised services should be provided to the workers and self-employed persons consist of the following actions: motivation, retention, training on general competences, upskilling/reskilling training, and training and job-search allowance.

Denmark started providing personalised services to the targeted beneficiaries on 16 October 2023 and that the period of eligibility for a financial contribution from the EGF will therefore be from 16 October 2023 until 24 months after the date of the entry into force of the financing decision.

Parliament stressed that the Danish authorities have confirmed that the eligible actions do not receive assistance from other Union funds or financial instruments, and that the principles of equality of treatment and non-discrimination will be respected in the access to the proposed actions and their implementation. Moreover, 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 the food industry in Denmark

2024/0044(BUD) - 08/05/2024 - Final act

PURPOSE: to mobilise the European Globalisation Adjustment Fund in respect of redundancies in the food product manufacturing industry in Denmark.

NON-LEGISLATIVE ACT: Decision (EU) 2024/1299 of the European Parliament and of the Council on the mobilisation of the European Globalisation Adjustment Fund for Displaced Workers following an application from Denmark — EGF/2023/004 DK/Danish Crown.

CONTENT: the European Globalisation Adjustment Fund for Displaced Workers (EGF) aims to demonstrate solidarity and promote decent and sustainable employment in the Union by providing support for workers made redundant and self-employed persons whose activity has ceased in the case of major restructuring events and assisting them in returning to decent and sustainable employment as soon as possible.

The European Parliament and the Council have decided that for the general budget of the European Union for the financial year 2024, the European Globalisation Adjustment Fund (EGF) will be mobilised to provide the sum of **EUR 1 882 212** in commitment and payment appropriations in response to the application submitted by Denmark following 751 redundancies at the company Danish Crown (Danish Crown A/S) and 2 suppliers and downstream producers resulting from the closure of Danish Crown's slaughterhouse in Sæby.

The annual allocation to the EGF will not exceed EUR 30 million (at 2018 prices).

The application is deemed admissible under the intervention criteria of Article 4(2)(a) of the EGF Regulation, which requires at least 200 workers being made redundant over a reference period of four months in an enterprise in a Member State, including workers made redundant by suppliers and downstream producers and/or self-employed persons whose activity has ceased.

The agreed amount is intended to cover the following activities:

- motivation;

- retention;

- training on general competences;

- upskilling/reskilling training;

- training and job-search allowance.

ENTRY INTO FORCE: 08.05.2024.