Basic information

2024/0049(BUD) BUD - Budgetary procedure	Procedure completed
Mobilisation of the European Globalisation Adjustment Fund: redundancies in the metal sector in Germany **Subject** 3.40.02 Iron and steel industry, metallurgical industry 4.15.05 Industrial restructuring, job losses, redundancies, relocations, Globalisation Adjustment Fund (EGF) 8.70.54 2024 budget **Geographical area** Germany FR	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
BUDG Budgets	GEIER Jens (S&D)	29/02/2024
	Shadow rapporteur COLLADO JIMÉNEZ Ana (EPP) DLABAJOVÁ Martina (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 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
Budget	SCHMIT Nicolas

Key events

Date	Event	Reference	Summary
29/02/2024	Non-legislative basic document published	COM(2024)0030	Summary
29/02/2024	Committee referral announced in Parliament		
08/04/2024	Vote in committee		
09/04/2024	Budgetary report tabled for plenary	A9-0166/2024	
24/04/2024	Decision by Parliament	T9-0333/2024	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	2024/0049(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/9/14305

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE759.759	05/03/2024	
Specific opinion	EMPL	PE759.834	19/03/2024	
Amendments tabled in committee		PE759.851	26/03/2024	
Budgetary report tabled for plenary, 1st reading		A9-0166/2024	09/04/2024	
Budgetary text adopted by Parliament		T9-0333/2024	24/04/2024	Summary

European Commission

Document type	Reference	Date	Summary
Non-legislative basic document	COM(2024)0030	29/02/2024	Summary

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

Meetings with interest representatives published in line with the Rules of Procedure

Rapporteurs, Shadow Rapporteurs and Committee Chairs

Transparency				
Name	**Role**	**Committee**	**Date**	**Interest representatives**
GEIER Jens	Rapporteur	BUDG	04/03/2024	IG Metall
GEIER Jens	Rapporteur	BUDG	29/02/2024	IG Metall

Final act	
Decision 2024/1298 OJ OJ L 08.05.2024	Summary

Mobilisation of the European Globalisation Adjustment Fund: redundancies in the metal sector in Germany

2024/0049(BUD) - 08/05/2024 - Final act

PURPOSE: to mobilise the European Globalisation Adjustment Fund in respect of redundancies in the metal sector in Germany.

NON-LEGISLATIVE ACT: Decision (EU) 2024/1298 of the European Parliament and of the Council on the mobilisation of the European Globalisation Adjustment Fund for Displaced Workers following an application from Germany — EGF/2023/003 DE/Vallourec.

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 2 984 627** in commitment and payment appropriations in response to the application submitted by Germany following the displacement of 1 518 workers made redundant in the company Vallourec Deutschland GmbH (VAD) - manufacture of basic metals.

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:

- upskilling measures including digital basic skills;

- guidance counselling and vocational orientation / activation measures;

- job search assistance;

- support for business creation;

- contribution to business creation;

- incentives and allowances.

ENTRY INTO FORCE: 08.05.2024.

Mobilisation of the European Globalisation Adjustment Fund: redundancies in the metal sector in Germany

2024/0049(BUD) - 29/02/2024 - Non-legislative basic document

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

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

CONTENT: on 15 November 2023, Germany submitted an application for a financial contribution from the EGF, following displacements in Vallourec (Vallourec Deutschland GmbH (VAD)) in Germany.

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

Germany submitted the application under the intervention criteria of Article 4(2), point (a), of EGF Regulation, 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 1 518 displaced workers whose activity has ceased in Vallourec (Vallourec Deutschland GmbH (VAD)). This enterprise operates in the economic sector classified under the NACE Revision 2 division 24 (Manufacture of basic metals). The reference period of four months for the application runs from 26 April 2023 to 26 August 2023.

Events leading to the displacements and cessation of operations

The enterprise, Vallourec Deutschland GmbH (VAD), is the German subsidiary of Vallourec S.A, France. The enterprise manufactured seamless hot-rolled steel tubes at its two steel mills in Germany, namely in the neighbouring cities of Düsseldorf and Mülheim an der Ruhr. The steel mills, previously known as Mannesmannröhren-Werke AG, were founded in 1899 and 1966, respectively.

The enterprise had been reporting losses since 2014, and, as a consequence, responded by several restructuring and downsizing measures. In 2018, the VAD Recovery Plan was launched, with the aim of leading to substantial savings by 2020. Despite some success, the economic situation following the Covid-19 pandemic resulted in further difficulties for the German tube mills. Since 2015, more than 1 400 jobs were already lost due to restructuring.

On 17 November 2021, the supervisory board of Vallourec S.A. decided to sell the German tube mills, and to offshore production to Brazil.

Even though Vallourec S.A. received offers from potential buyers, none of the offers proved viable. On 18 May 2022, the supervisory board declared that all attempts to sell the production sites had failed. This meant the definitive closure of the sites, as no successor to operate the facilities could be found.

Production will continue until the offshoring process is completed. Therefore, it has been decided to close the sites in three phases. A first batch of workers has left the company by 1 January 2024, a second batch will leave by 1 July 2024, and the third batch by 1 January 2025.

The enterprise will continue activities in Germany, but only as a sales company.

Beneficiaries

An estimated 835 redundant workers are expected to participate in the following measures.

The personalised services to be provided to the redundant workers include the following actions: (i) upskilling measures; (ii) guidance counselling and vocational orientation/activation measures; (iii) business start-up advisory services; (iv) business start-up grants; (iv) job search assistance; (v) upskilling incentives; (vi) training allowance; (vii) digital basic skills.

Germany has informed about activities already undertaken for the assistance of the displaced workers.

The estimated total costs are EUR 4 974 379, comprising expenditure for personalised services of EUR 4 783 057 and expenditure for preparatory, management, information and publicity, control and reporting activities of EUR 191 322.

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 2 984 627, 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 metal sector in Germany

2024/0049(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 Germany – EGF /2023/003 DE/Vallourec.

Parliament approved the proposal for a decision to mobilise the EGF to provide a financial assistance contribution of **EUR 2 984 627** in commitment and payment appropriations from the EU budget for the financial year 2024, in response to the application submitted by Germany following the displacement of 1 518 workers made redundant in the company Vallourec Deutschland GmbH (VAD) - manufacture of basic metals.

This contribution represents 60 % of the total cost of EUR 4 974 379, comprising expenditure for personalised services of EUR 4 783 057 and expenditure for preparatory, management, information and publicity, control and reporting activities of EUR 191 322.

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 Germany. Moreover, VAD, the German subsidiary of Vallourec S.A, France, manufactured seamless hot-rolled steel tubes at its two steel mills in Germany. Following years of financial losses, a number of restructuring and downsizing measures and a dedicated recovery plan were launched in 2018, involving concessions by the workers on employment conditions. Despite some success, the economic situation following the COVID-19 pandemic resulted in further difficulties for the German tube mills and since 2015, more than 1400 jobs were already lost due to restructuring. In 2021, Vallourec S.A. decided to sell its German tube mills and to offshore production to Brazil. The sale failed, leading to the definitive closure of the sites and resulting in the displacement of the remaining workforce by 1 January 2025.

VAD agreed to the setting up a transfer company for each batch of dismissals and the enterprise also offered an early retirement plan for employees born 1966 or before, as well as voluntary termination plans for people that might not need longer assistance in finding a new job.

Beneficiaries

The application relates to 1 518 workers made redundant in the company Vallourec Deutschland GmbH (VAD). 835 workers will be targeted beneficiaries in total. The profiles of the displaced workers do not match the skills sought after on the job market. Furthermore, most of the workers concerned are in an advanced stage of their professional careers, having worked for VAD for a long time, with levels of formal qualifications that make them uncompetitive in the current labour market, as 20.1 % of them are over 54 years of age.

Parliament considers it as a social responsibility of the Union to provide these workers made redundant with the necessary qualifications for the ecological and just transformation of the Union industry in line with the European Green Deal, since they worked in a sector with high carbon intensity.

Personalised services

Parliament welcomed the personalised services provided by the EGF to the workers, which include upskilling measures, workshops, vocational orientation, job counselling, as well as training allowances, to make the region, and the overall labour market, more sustainable and resilient in the future.

Members welcomed the fact that the co-ordinated package of personalised services was drawn up by Germany in consultation with targeted beneficiaries, their representatives and social partners and that it has made considerable efforts to minimise the social impact of the site closures.

Germany started providing personalised services to the targeted beneficiaries on 1 December 2023 and that the period of eligibility for a financial contribution from the EGF will therefore be from 1 December 2023 until 24 months after the date of the entry into force of the financing decision.

Parliament recalled that personalised services to be provided to the workers and self-employed persons consist of the following actions: tailor-made training and retraining, occupational guidance, individual job-search assistance services and targeted group activities, support towards and contribution to business creation, as well as incentives and allowances. It also welcomed the proposed Digital basic skills (Digitale Grundqualifizierung) measure, which caters for the dissemination of the skills required in the digital industrial age.

Parliament stressed that the German 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.