Basic information

2024/0286(BUD) BUD - Budgetary procedure	Procedure completed
Mobilisation of the European Globalisation Adjustment Fund: redundancies in the paper manufacture and machinery sector in Belgium **Subject** 3.40.08 Mechanical engineering, machine-tool industry 4.15.05 Industrial restructuring, job losses, redundancies, relocations, Globalisation Adjustment Fund (EGF) 8.70.54 2024 budget **Geographical area** Belgium	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
BUDG Budgets	NEMEC Matjaž (S&D)	23/10/2024

Committee for opinion	Rapporteur for opinion	Appointed
EMPL Employment and Social Affairs	DANIELSSON Johan (S&D)	13/11/2024
REGI Regional Development	The committee decided not to give an opinion.	

Council of the European Union

European Commission

Commission DG	Commissioner
Budget	SERAFIN Piotr

Key events

Date	Event	Reference	Summary
05/11/2024	Non-legislative basic document published	COM(2024)0370	Summary
13/11/2024	Committee referral announced in Parliament		
21/11/2024	Vote in committee		
22/11/2024	Budgetary report tabled for plenary	A10-0019/2024	Summary

17/12/2024	Decision by Parliament	T10-0062/2024	Summary
17/12/2024	Results of vote in Parliament		
18/12/2024	Draft budget approved by Council		
10/01/2025	Final act published in Official Journal		

Technical information

Procedure reference	2024/0286(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/10/01235

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE765.241	08/11/2024	
Amendments tabled in committee		PE765.315	13/11/2024	
Specific opinion	EMPL	PE765.299	21/11/2024	
Budgetary report tabled for plenary, 1st reading		A10-0019/2024	22/11/2024	Summary
Budgetary text adopted by Parliament		T10-0062/2024	17/12/2024	Summary

European Commission

Document type	Reference	Date	Summary
Non-legislative basic document	COM(2024)0370	05/11/2024	Summary

Additional information

Source	Document	Date
European Commission	EUR-Lex	

Final act

Decision 2025/0047
OJ OJ L 10.01.2025 Summary

Mobilisation of the European Globalisation Adjustment Fund: redundancies in the paper manufacture and machinery sector in Belgium

2024/0286(BUD) - 22/11/2024 - Budgetary report tabled for plenary, 1st reading

The Committee on Budgets adopted a report by Matjaž NEMEC (S&D, SI) 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 to provide assistance to Belgium.

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 Fund is not to exceed a maximum annual amount of EUR 30 million (in 2018 prices).

As a reminder, on 19 July 2024, Belgium submitted an application EGF/2024/002 BE/Limburg machinery and paper for a financial contribution from the EGF, following 681 redundancies - 567 at the company Sappi Lanaken following the closure of this paper-producing site, and 114 at Purmo Group Belgium as the consequence of the stop of its production line of panel radiators at its Zonhoven site. This is the second such application of 2024.

Members recalled that personalised services to be provided to the workers consist of the following actions:

- social intervention advisor,

- guidance,

- counselling,

- vocational orientation,

- active job-search support,

- training,

- retraining and vocational training, including training in digital skills, as well as training at the workplace.

The EGF should, therefore, be mobilised to provide a financial contribution of **EUR 704 135** in respect of the application submitted by Belgium.

The Belgian authorities and other Member States are called on to undertake the preventive measures in a proactive manner in order to adapt industries to the globalisation and of technological and environmental changes and protect workers from losing their jobs and other negative impact of the globalisation.

Mobilisation of the European Globalisation Adjustment Fund: redundancies in the paper manufacture and machinery sector in Belgium

2024/0286(BUD) - 10/01/2025 - Final act

PURPOSE: to mobilise the European Globalisation Adjustment Fund (EGF) to support Belgium in the face of redundancies in the paper manufacture and machinery sector.

NON-LEGISLATIVE ACT: Decision (EU) 2025/47 of the European Parliament and of the Council on the mobilisation of the European Globalisation Adjustment Fund for Displaced Workers following an application from Belgium – EGF/2024/002 BE/Limburg machinery and paper.

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 for Displaced Workers will be mobilised to provide the amount of **EUR 704 135** in commitment and payment appropriations in response to the application submitted by Belgium following the displacement of 632 workers in the economic sectors classified under the NACE Revision 2 division 17 (Manufacture of paper and paper products) and division 28 (Manufacture of machinery and equipment) in the NUTS 2 region of Provincie Limburg (BE22) in Belgium.

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:

- social Intervention Advisor (SIA);

- guidance, counselling, and vocational orientation;

- active job-search support;

- training, retraining and vocational training;

- training at the workplace.

ENTRY INTO FORCE: 10.1.2025.

Mobilisation of the European Globalisation Adjustment Fund: redundancies in the paper manufacture and machinery sector in Belgium

2024/0286(BUD) - 17/12/2024 - Budgetary text adopted by Parliament

The European Parliament adopted by 599 votes to 50, with 7 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 Belgium – EGF /2024/002 BE/Limburg machinery and paper.

Parliament approved the proposal for a decision to mobilise the EGF to provide a financial contribution of **EUR 704 135** in commitment and payment appropriations to the general budget of the Union for the financial year 2024, in response to the request submitted by Belgium following 681 redundancies in the woodfree coated paper industry and in the manufacturing of machinery and equipment in the province of Limburg.

This contribution represents 60% of the total cost of EUR 1 173 559, an amount corresponding to the expenditure for personalised services of EUR 1 126 559 and expenditure for preparatory, management, information and publicity, control and reporting activities of EUR 47 000.

Events leading to the redundancies

Sappi Lanaken was specialised in the production of woodfree coated paper. The declining demand for graphics products resulting from increased digitalisation has led to a growing overcapacity of the European woodfree coated paper industry. The production at Sappi Lanaken could not be shifted to other paper products more in demand without heavy investments and the Sappi Group therefore decided to stop production in Lanaken and close the plant, as no suitable buyer could be identified, because of structural overcapacity in the industry.

Purmo Group’s production volume of panel radiators has been steadily declining over the period 2018-2023. The Purmo Group decided to stop production of 50 mm panel radiators in its Zonhoven plant and close the relevant production line. Following the unexpected situation regarding gas availability and prices, resulting from the Russian war of aggression against Ukraine, and Union legislation benefiting low-temperature heating systems to the detriment of panel radiators, demand recovery is unlikely as the panel radiator market will increasingly be limited to replacing units in use.

Beneficiaries

The application relates to 567 workers made redundant in the company Sappi Lanaken and 114 workers made redundant in Purmo Group Belgium. **632 workers** will be targeted beneficiaries in total, almost exclusively men. Due to their profiles (one third of which are aged 55 years or more and 30 % are with low education), the displaced workers face severe barriers on the labour market.

Personalised services to be provided to the workers consist of the following actions: social intervention advisor, guidance, counselling, and vocational orientation, active job-search support, training, retraining and vocational training, including training in digital skills, as well as training at the workplace. 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.

The resolution stressed that the Belgian authorities have confirmed that the principles of equality of treatment and non-discrimination will be respected in the access to the proposed actions and their implementation, and that any double financing will be prevented.

The Belgian authorities and other Member States are called on to undertake the preventive measures in a proactive manner in order to adapt industries to the globalisation and of technological and environmental changes and protect workers from losing their jobs and other negative impact of the globalisation.

Mobilisation of the European Globalisation Adjustment Fund: redundancies in the paper manufacture and machinery sector in Belgium

2024/0286(BUD) - 05/11/2024 - Non-legislative basic document

PURPOSE: to mobilise the European Globalisation Adjustment Fund (EGF) to support Belgium in the face of redundancies in the paper manufacture and machinery sector.

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

CONTENT: on 19 July 2024, Belgium submitted an application EGF/2024/002 BE/Limburg machinery and paper for a financial contribution from the EGF, following displacements in the economic sectors classified under the NACE Revision 2 division 17 (Manufacture of paper and paper products) and division 28 (Manufacture of machinery and equipment) in the NUTS 2 region of Provincie Limburg (BE22) in Belgium.

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

Belgium 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 681 displaced workers whose activity has ceased in the economic sectors classified under the NACE Revision 2 division 17 (Manufacture of paper and paper products) and 28 (Manufacture of machinery and equipment). The redundancies are located in the NUTS 2 region of Provincie Limburg (BE22) .

The reference period of four months for the application runs from 31 December 2023 to 30 April 2024.

Events leading to the displacements and cessation of operations

Paper sector: the events giving rise to the displacements in the paper sector are the declining demand for graphics products resulting from increased digitalisation and the resulting growing overcapacity of the European woodfree coated paper (WCP) industry. In 2009, the European paper industry indicated having a capacity of 9.3 million tons of WCP. In 15 years, the capacity of the European WCP Industry has declined by 50 %, to 4.6 million tons in 2023. In 2023, the industry did not make use of the maximum capacity, but only produced 2.7 million tons. WCP production in Sappi group has been following the same declining trend as the European WCP industry.

Machinery sector: the events giving rise to the displacements in the machinery sector is Purmo's decision to stop production of 50 mm panel radiators in its Zonhoven plant and close the relevant production line. This is resulting in 114 dismissals.

The reason to discontinue production is the sharp decline in demand for panel radiators in the EU. The demand for alternative heating systems, such as heat pumps and low-temperature systems, is experiencing rapid growth mainly due to the European Union's commitment to emissions targets and the clear intention to decarbonise buildings and industry in the EU.

Furthermore, the unexpected situation regarding gas availability and prices, resulting from the Russian war of aggression against Ukraine began to modify consumer purchasing habits in favour of alternative heating solutions, partly due to the efforts to reduce dependence on Russian gas supplies, and EU legislation benefiting low-temperature heating systems to the detriment of panel radiators. In such scenario, demand recovery is unlikely as the panel radiator market will increasingly be limited to replacing units in use.

Redundant workers concentrate in Lanaken (83 %) and Zonhoven (27 %), so the province of Limburg in Flanders is the territory affected by the redundancies.

Beneficiaries

The estimated number of displaced workers expected to participate in the measures is 632.

The personalised coordinated package to be provided to displaced workers consists of the following measures: (i) social Intervention Advisor (SIA); (ii) guidance, counselling, and vocational orientation; (iii) active job-search support; (iv) training, retraining and vocational training; (v) training at the workplace.

The estimated total costs are EUR 1 173 559, comprising expenditure for personalised services of EUR 1 126 559 and expenditure for preparatory, management, information and publicity, control and reporting activities of EUR 47 000.

Budgetary proposal

The EGF will not exceed a maximum annual amount of EUR 30 million (in 2018 prices), as laid down in Article 8 of Council Regulation (EU, Euratom) 2020/2093 laying down the multiannual financial framework for the years 2021 to 2027 amended by Council Regulation (EU, Euratom) 2024/765 of 29 February 2024.

Having examined the application, the Commission proposes to mobilise the EGF for the amount of EUR 704 135, representing 60 % of the total costs of the proposed measures, in order to provide a financial contribution for the application.