


# Procedure file

Basic information	
ACI - Interinstitutional agreement procedure	2008/2043(ACI)
Mobilisation of the European Globalisation Adjustment Fund: redundancies in textiles and automobile sectors	
Subject	
3.40.03 Motor industry, cycle and motorcycle, commercial and agricultural vehicles	
3.40.10 Textile and clothing industry, leathers	
4.15.05 Industrial restructuring, job losses, redundancies, relocations, Globalisation Adjustment Fund (EGF)	
4.15.12 Workers protection and rights, labour law	
5.03 Global economy and globalisation	
Geographical area	
Portugal	
Malta	

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	<b>BUDG</b> Budgets		20/09/2004
		PPE-DE <a href="#">BÖGE Reimer</a>	
	Committee for opinion	Rapporteur for opinion	Appointed
	<b>EMPL</b> Employment and Social Affairs	The committee decided not to give an opinion.	
Council of the European Union	Council configuration	Meeting	Date
	<a href="#">Transport, Telecommunications and Energy</a>	<a href="#">2861</a>	07/04/2008
European Commission	Commission DG	Commissioner	
	<a href="#">Budget</a>	GRYBAUSKAITĖ Dalia	

Key events			
20/02/2008	Non-legislative basic document published	<a href="#">COM(2008)0094</a>	Summary
11/03/2008	Committee referral announced in Parliament		
27/03/2008	Vote in committee		Summary
31/03/2008	Committee report tabled for plenary	<a href="#">A6-0083/2008</a>	
10/04/2008	Results of vote in Parliament		
10/04/2008	Decision by Parliament	<a href="#">T6-0114/2008</a>	Summary
10/04/2008	End of procedure in Parliament		

16/05/2008	Final act published in Official Journal		
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### Technical information

Procedure reference	2008/2043(ACI)
Procedure type	ACI - Interinstitutional agreement procedure
Procedure subtype	Mobilisation of funds
Stage reached in procedure	Procedure completed
Committee dossier	BUDG/6/59957

### Documentation gateway

Non-legislative basic document	<a href="#">COM(2008)0094</a>	20/02/2008	EC	Summary
Committee draft report	<a href="#">PE402.790</a>	05/03/2008	EP	
Committee report tabled for plenary, single reading	<a href="#">A6-0083/2008</a>	31/03/2008	EP	
Text adopted by Parliament, single reading	<a href="#">T6-0114/2008</a>	10/04/2008	EP	Summary
Commission response to text adopted in plenary	<a href="#">SP(2008)3169</a>	28/05/2008	EC	

### Final act

[Decision 2008/370](#)  
[OJ L 128 16.05.2008, p. 0006](#) Summary

## Mobilisation of the European Globalisation Adjustment Fund: redundancies in textiles and automobile sectors

**PURPOSE:** the mobilisation of the European Globalisation Adjustment Fund (EGF) for two cases of redundancies in the textiles sector (Malta) and the automobile sector (Portugal).

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

**CONTENT:** the Regulation (EC) No 1927/2006 of the European Parliament and of the Council created a European Globalisation Adjustment Fund to provide additional support to redundant workers who suffer from the consequences of major structural changes in world trade patterns, and to assist them with their reintegration into the labour market (see [COD/2006/0033](#)). The Interinstitutional Agreement of 17 May 2006 allows the mobilisation of the Fund within the annual ceiling of EUR 500 million.

-Malta (application EGF/2007/08/MT/Textiles): the application presented by the Maltese authorities to the Commission on 12 September 2007 relates to a total of 675 redundancies in two manufacturing companies operating in the Maltese textiles sector, namely VF (Malta) Ltd. and Bortex Clothing Ind. Co Ltd. For VF, which is part of the multinational firm VF Corporation, the 562 redundancies were the result of the decision of this multinational to close down its factory in Malta, with effect from 31 July 2007, and move production to sites in Asia. For Bortex, a Maltese firm with production sites in Malta and Tunisia, the 113 redundancies were caused by the decision to reduce its activities in Malta by closing down its sewing line as from 14 September 2007, while continuing with pressing, storage and distribution activities to clients within the Community and making prototypes.

A general trend of the clothing and accessories industry in the Community to delocalise their production to lower cost non-EU countries, such as China, India and Turkey is proven. Before its accession, Malta's textile exports went predominantly to the Member States. Due to increased competition from outside the EU, the textiles sector in Malta has now come under pressure. Given the small size of the Maltese labour market, these redundancies correspond to 0.4 % of total employment.

In these circumstances, the Commission proposes to accept the application submitted by Malta. A coordinated package of eligible personalised services for the amount of EUR 1 362 207 has been proposed, of which the requested contribution from the EGF is EUR 681 207.

-Portugal (application EGF/2007/10/PT/Lisboa-Alentejo): the application presented by the Portuguese authorities to the Commission on 9 October 2007 relates to 1 549 redundancies in two companies located in the Alentejo region (Opel Portugal and Johnson Controls) and one company located in the contiguous region of Lisboa (Alcoa Fujikura) during the 9-month period of reference lasting from 20 December 2006 to 20 September 2007. These redundancies result from a rapid decline of the Community share in world motor vehicle production, which, according to the International Organisation of Motor Vehicle Manufacturers (OICA), was 30.6 percent (for EU-15) in 2001, but had declined to 26.9 percent (for EU-25) by 2006.

In Portugal, the resulting pressure from competitors is reflected in Portuguese production figures declining from 251 000 vehicles in 2002 to 227 000 in 2006. Registrations of unemployed persons in the motor vehicle sector in the whole of mainland Portugal during the 8-month period January to August 2007 were 0.7 % higher than during the same 8-month period in 2006. For the Lisboa-Alentejo region alone, the increase in unemployment over the same period was 7.5%, demonstrating the severity of the crisis, for both the sector and the region, during the first eight months of 2007.

In these circumstances, the Commission proposes to accept the application submitted by Portugal. A coordinated package of eligible personalised services for the amount of EUR 4 851 350 has been proposed, of which the requested contribution from the EGF is EUR 2 425 675.

Financing: in the light of the examination of these two applications, the Commission proposes to deploy the European Globalisation Adjustment Fund for a total amount of EUR 3 106 882, to be allocated under heading 1a of the financial framework. This support will leave more than 25 % of the maximum annual amount earmarked for the EGF available for allocation during the last four months of 2008.

## Mobilisation of the European Globalisation Adjustment Fund: redundancies in textiles and automobile sectors

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The Budgets Committee adopted a report drafted by Reimer BÖGE (PPE-DE, DE) and recommended that, for the general budget of the EU for the financial year 2008, the European Globalisation Adjustment Fund should be mobilised to provide the sum of EUR 3 106 882 in commitment and payment appropriations. This sum is for the benefit of Portugal and Malta, with the aim of assisting 1 549 Portuguese car industry workers and 675 Maltese textile industry workers to retrain.

The Committee recalled that, on 12 September 2007, Malta submitted an application to deploy the Fund, in respect of redundancies in the textile sector, specifically for workers made redundant by VF (Malta) Ltd and Bortex Clothing Ind Co Ltd. On 9 October 2007, Portugal submitted an application to deploy the Fund, in respect of redundancies in the automobile sector, specifically for workers made redundant by Opel in Azambuja, Alcoa Fujikura in Seixal and Johnson Controls in Portalegre. The applications comply with the requirements for determining the financial contributions as laid down in Article 10 of Regulation (EC) N°1927/2006.

The Committee requested the institutions involved to make the necessary efforts to accelerate the mobilisation of the Fund. It stressed its concern, however, regarding the nature of measures financed from the Fund with a view to reducing the number of persons remaining unemployed. Members asked the Commission, in cooperation with the Portuguese authorities, to closely monitor the situation in relation to the provisions of Article 3, second paragraph, of Regulation (EC) N° 1927/2006 and to report to the legislative and budgetary authorities.

## Mobilisation of the European Globalisation Adjustment Fund: redundancies in textiles and automobile sectors

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The European Parliament adopted, by 555 votes to 40 with 35 abstentions, a legislative resolution on the proposal for a decision of the European Parliament and of the Council on the mobilisation of the European Globalisation Adjustment Fund, in application of point 28 of the Interinstitutional Agreement of 17 May 2006 between the European Parliament, the Council and the Commission on budgetary discipline and sound financial management. The report had been tabled for consideration in plenary by Reimer BÖGE (PPE-DE, DE) on behalf of the Committee on Budgets.

Parliament recommended that, for the general budget of the EU for the financial year 2008, the European Globalisation Adjustment Fund should be mobilised to provide the sum of EUR 3 106 882 in commitment and payment appropriations. This sum is for the benefit of Portugal and Malta, with the aim of assisting 1549 Portuguese car industry workers and 675 Maltese textile industry workers to retrain.

Parliament recalled that, on 12 September 2007, Malta submitted an application to deploy the Fund, in respect of redundancies in the textile sector, specifically for workers made redundant by VF (Malta) Ltd and Bortex Clothing Ind Co Ltd. On 9 October 2007 Portugal submitted an application to deploy the Fund, in respect of redundancies in the automobile sector, specifically for workers made redundant by Opel in Azambuja, Alcoa Fujikura in Seixal and Johnson Controls in Portalegre. The applications comply with the requirements for determining the financial contributions as laid down in Article 10 of Regulation (EC) N°1927/2006.

Parliament requested the institutions involved to make the necessary efforts to accelerate the mobilisation of the Fund. It stressed its concern, however, regarding the nature of measures financed from the Fund with a view to reducing the number of persons remaining unemployed.

Parliament asked the Commission, in cooperation with the Portuguese authorities, to closely monitor the situation in relation to the provisions of Article 3, second paragraph, of Regulation (EC) N° 1927/2006 and to report to the legislative and budgetary authorities.

## Mobilisation of the European Globalisation Adjustment Fund: redundancies in textiles and automobile sectors

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**PURPOSE:** to mobilise the European Globalisation Adjustment Fund (EGF) for two cases of redundancies in the textiles sector (Malta) and the automobile sector (Portugal).

**LEGISLATIVE ACT:** Decision 2008/370/EC of the European Parliament and of the Council on the mobilisation of the European Globalisation Adjustment Fund in accordance with point 28 of the Interinstitutional Agreement of 17 May 2006 between the European Parliament, the Council and the Commission on budgetary discipline and sound financial management.

**CONTENT:** the European Globalisation Adjustment Fund was established to provide additional support to workers who suffer from the consequences of major structural changes in world trade patterns and to assist them with their reintegration into the labour market. The Interinstitutional Agreement of 17 May 2006 allows the mobilisation of the Fund within the annual ceiling of EUR 500 million.

On 12 September 2007, Malta submitted an application to deploy the Fund, in respect of redundancies in the textile sector, specifically for workers made redundant by VF (Malta) Ltd and Bortex Clothing Industry Co Ltd. Moreover, on 9 October 2007, Portugal submitted an application to deploy the Fund, in respect of redundancies in the automobile sector, specifically for workers made redundant by Opel in Azambuja, Alcoa Fujikura in Seixal and Johnson Controls in Portalegre. Both applications comply with the requirements for determining the financial contributions as laid down in Article 10 of Regulation (EC) No 1927/2006 ([EGF Regulation](#)).

This Decision therefore stipulates that for the general budget of the European Union for the financial year 2008, the European Globalisation Adjustment Fund shall be mobilised to provide the sum of EUR 3 106 882 in commitment and payment appropriations.