Procedure file

Basic information

BUD - Budgetary procedure 2009/2066(BUD)	Procedure completed
Mobilisation of the European Globalisation Adjustment Fund: redundancies in textiles sector in Spain and Portugal Subject 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 8.70.60 Previous annual budgets Geographical area Portugal Spain	

Key players

European Parliament	Committee responsible	Rapporteur	Appointed
	BUDG Budgets		21/07/2009
		PPE BÖGE Reimer	
		Shadow rapporteur	
		S&D GARDIAZABAL RUBIAL Eider	
	Committee for opinion	Rapporteur for opinion	Appointed
	EMPL Employment and Social Affairs	The committee decided not to give an opinion.	
Council of the European Union	Council configuration	Meeting	Date
	General Affairs	2960	14/09/2009
European Commission	Commission DG	Commissioner	
	Budget	ŠEMETA Algirdas	

Key events

16/07/2009	Non-legislative basic document published	COM(2009)0371	Summary
02/09/2009	Vote in committee		Summary
07/09/2009	Budgetary report tabled for plenary	A7-0006/2009	
14/09/2009	Committee referral announced in Parliament		
14/09/2009	Draft budget approved by Council		

15/09/2009	Results of vote in Parliament		
15/09/2009	Decision by Parliament	T7-0009/2009	Summary
15/09/2009	End of procedure in Parliament		
20/10/2009	Final act published in Official Journal		

Technical information

Procedure reference	2009/2066(BUD)
Procedure type	BUD - Budgetary procedure
Procedure subtype	Mobilisation of funds
Other legal basis	Rules of Procedure EP 159
Stage reached in procedure	Procedure completed
Committee dossier	BUDG/7/00461

Documentation gateway

Non-legislative basic document		COM(2009)0371	16/07/2009	EC	Summary
Committee draft report		PE427.238	03/08/2009	EP	
Budgetary report tabled for plenary, 1st reading		A7-0006/2009	07/09/2009	EP	
Budgetary text adopted by Parliament		T7-0009/2009	15/09/2009	EP	Summary

Final act

Decision 2009/764
OJ L 274 20.10.2009, p. 0028 Summary

Mobilisation of the European Globalisation Adjustment Fund: redundancies in textiles sector in Spain and Portugal

PURPOSE: to mobilise the European Globalisation Adjustment Fund (EGF) to assist the textile sectors in Spain and Portugal.

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

CONTENT: Regulation (EC) No 1927/2006 set up the European Globalisation Adjustment Fund (EGF) which provides 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 (COD/2006/0033).

The Interinstitutional Agreement of 17 May 2006 allows the mobilisation of the Fund within the annual ceiling of EUR 500 million.

The Commission services carried out a thorough examination of the applications submitted by Spain and Portugal.

Spain: Case EGF/2008/005 ES/Cataluña

- Spain submitted this application under the intervention criterion of Article 2(b) of the Regulation (EC) N° 1927/2006, which requires at least 1 000 redundancies over a nine-month period in a NACE 2 (statistical classification of economic activities) REV 2 division in one region or two contiguous regions at NUTS II (nomenclature of territorial units for statistics) level. The application demonstrates that a total of 1 269 redundancies occurred in 30 enterprises classified in the NACE (revision 2) division 13 ('manufacture of textiles') during the nine-month period of reference (from February 2008 to October 2008). Spain argues, using EUROSTAT trade statistics that the Community trade balance in textiles has deteriorated substantially over the period 2004-2007. The strength of the Euro vis-à-vis the US dollar in the recent past has also reinforced the negative effect on the exports of Community produced textiles, while encouraging imports into the Community of textiles produced in countries in the dollar zone. In Cataluña, the number of unemployed workers in the textile industry increased significantly over the last five years. Between 2004 and 2008 this number has increased by 42%. Because of the concentration of the sector in a small number of areas, the impact of textile redundancies is stronger than shown by the unemployment figures, and that there is little opportunity for re-employment within the industry for redundant workers. In these circumstances, the redundancies can be seen to have a significantly negative effect on the local economy.

Portugal: EGF/2009/001 PT/Norte-Centro

- Portugal submitted this application under the same intervention criteria as Spain. The application is based on 1 588 redundancies in 49 companies in a NACE (revision 2) division 13 ('manufacture of textiles') during the nine-month period of reference (from February 2008 to November 2008). In the ten weeks following the period of reference, an additional 138 redundancies occurred in 17 of these enterprises. Analysis of the link between the redundancies and the major structural changes in world trade patterns is based on the following information. Portugal argues that the redundancies are following a general trend in the clothing and accessories industry in the Community towards a delocalisation of production to lower-cost non-Community countries, such as China, India and Turkey.

In conclusion: it is proposed to accept application EGF/2008/005 ES/Cataluña submitted by Spain and application EGF/2009/001 PT/Norte-Centro submitted by Portugal. Evidence has been provided that these redundancies result from major structural changes in world trade patterns which have led to a serious economic disruption, affecting employment and the local economy. A coordinated package of eligible personalised services has been proposed of which the requested contribution of the EGF is EUR 3 306 750 for Spain and EUR 832 800 for Portugal.

IMPACT ASSESSMENT: no impact assessment was carried out.

BUDGETARY IMPLICATIONS: the total annual budget available for the EGF is EUR 500 million. An amount of EUR 3 384 300 has already been mobilised for prior applications in 2009 leaving an amount of EUR 496 615 700 available.

On the basis of the applications for support from the Fund submitted by Spain and Portugal in which the textiles sector was affected, total estimates of the coordinated packages of personalised services to be funded are as follows:

- Spain/Cataluña: EUR 3 306 750
- Portugal/Centro-Norte: EUR 832 800

Total: EUR 4 139 550.

The Commission proposes to deploy the EGF for a total amount of EUR 4 139 550, to be allocated under heading 1a of the financial framework.

By presenting this proposal to deploy the Fund, the Commission initiates the simplified trialogue procedure, as required by Point 28 of the Inter-institutional Agreement of 17 May 2006. The Commission invites the first of the two arms of the Budgetary Authority that reaches agreement on the draft mobilisation proposal, at appropriate political level, to inform the other arm and the Commission of its intentions.

Mobilisation of the European Globalisation Adjustment Fund: redundancies in textiles sector in Spain and Portugal

The Committee on Budgets adopted the report drawn up by Reimer BÖGE (EPP, DE) on the proposal for a decision on mobilisation of the European Globalisation Adjustment Fund (EGF) to assist the textile industry in Spain and Portugal. Under the proposal, the Fund would be mobilised to provide the sum of EUR 4 139 550 in commitment and payment appropriations.

MEPs recall that the European Union has set up the appropriate legislative and budgetary instruments to provide additional support to workers who suffer from the consequences of major structural changes in world trade patterns and to assist their reintegration into the labour market. Spain and Portugal requested assistance in respect of cases concerning redundancies in the textiles sector, respectively in the regions of Cataluña and Norte-Centro and have fulfilled the eligibility criteria set up by the EGF Regulation. MEPs invite the institutions involved to make the necessary efforts to accelerate the mobilisation of the Fund for the requested amount.

MEPs recall that the mobilisation of the EGF in payment appropriations should not jeopardise the funding of the European Union Social Fund. They express some doubts about whether complementarity with other existing instruments like the EU Social Fund is guaranteed.

In this context, the report commits the European Parliament to evaluate the functioning and added value of the EGF in the context of the general assessment of the programmes and other various instruments created by the IIA of 17 May 2006 on budgetary discipline and sound financial management, within the process of the 2007-2013 multiannual financial framework budget review.

Mobilisation of the European Globalisation Adjustment Fund: redundancies in textiles sector in Spain and Portugal

The European Parliament adopted by 578 votes to 26, with 12 abstentions, a resolution approving the annexed decision on the mobilisation of the European Globalisation Adjustment Fund (EGF) to assist the textile industry in Spain and Portugal.

The Fund shall be mobilised to provide the sum of EUR 4 139 550 in commitment and payment appropriations.

Parliament recalls that the European Union has set up the appropriate legislative and budgetary instruments to provide additional support to workers who suffer from the consequences of major structural changes in world trade patterns and to assist their reintegration into the labour market. Spain and Portugal requested assistance in respect of cases concerning redundancies in the textiles sector, respectively in the regions of Cataluña and Norte-Centro and have fulfilled the eligibility criteria set up by the EGF Regulation. Parliament invites the institutions involved to make the necessary efforts to accelerate the mobilisation of the Fund for the requested amount.

It stresses that the European Union should use all its means to face the consequences of the global economic and financial crisis and notes, in this respect, that the EGF can play a crucial role in the reintegration of workers made redundant into the labour market.

Parliament also recalls that the mobilisation of the EGF in payment appropriations should not jeopardise the funding of the European Union Social Fund. They express some doubts about whether complementarity with other existing instruments like the EU Social Fund is guaranteed.

In this context, the resolution commits the European Parliament to evaluate the functioning and added value of the EGF in the context of the general assessment of the programmes and other various instruments created by the IIA of 17 May 2006 on budgetary discipline and sound financial management, within the process of the 2007-2013 multiannual financial framework budget review.

Mobilisation of the European Globalisation Adjustment Fund: redundancies in textiles sector in Spain and Portugal

PURPOSE: to mobilise the European Globalisation Adjustment Fund (EGF) to assist the textile sectors in Spain and Portugal.

LEGISLATIVE ACT: Decision 2009/764/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: with the present Decision, the European Parliament and the Council grants EUR 4 139 550 in commitment and payment appropriations under the European Globalisation Adjustment Fund for the financial year 2009. This amount will assist Spain and Portugal following redundancies in the textile sector.

It should be noted that Spain and Portugal submitted their applications to mobilise the EGF in compliance with the requirements for determining the financial contributions as laid down in Article 10 of Regulation (EC) No 1927/2006, therefore the abovementioned amount has been granted to Spain and Portugal.

To recall, the European Globalisation Adjustment Fund (EGF) aims 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. The Interinstitutional Agreement of 17 May 2006 allows the mobilisation of the Fund within the annual ceiling of EUR 500 million.