Procedure file

Basic information

BUD - Budgetary procedure	2011/2163(BUD)	Procedure completed

Mobilisation of the European Globalisation Adjustment Fund: redundancies in automotive industry in Germany

Subject
3.40.03 Motor industry, cycle and motorcycle, commercial and agricultural vehicles
4.15.05 Industrial restructuring, job losses, redundancies, relocations, Globalisation Adjustment Fund (EGF)
8.70.60 Previous annual budgets

Geographical area
Germany FR

Key players

European Parliament	Committee responsible	Rapporteur	Appointed
	BUDG Budgets		22/07/2011
		PPE MATERA Barbara	
		Shadow rapporteur	
		ALDE PICKART ALVARO Alexander Nuno	
	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
	Economic and Financial Affairs ECOFIN	3115	04/10/2011
European Commission	Commission DG	Commissioner	
	Budget		
	Employment, Social Affairs and Inclusion		

Key events

20/07/2011	Non-legislative basic document published	COM(2011)0447	Summary
13/09/2011	Committee referral announced in Parliament		
22/09/2011	Vote in committee		Summary
22/09/2011	Budgetary report tabled for plenary	A7-0311/2011	
28/09/2011	Results of vote in Parliament		

28/09/2011	Decision by Parliament	T7-0416/2011	Summary
04/10/2011	Draft budget approved by Council		
04/10/2011	End of procedure in Parliament		
08/11/2011	Final act published in Official Journal		

Technical information

Procedure reference	2011/2163(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/7/06619

Documentation gateway

Non-legislative basic document		COM(2011)0447	20/07/2011	EC	Summary
Committee draft report		PE470.070	30/08/2011	EP	
Amendments tabled in committee		PE472.112	09/09/2011	EP	
Budgetary report tabled for plenary, 1st reading		A7-0311/2011	22/09/2011	EP	
Budgetary text adopted by Parliament		T7-0416/2011	28/09/2011	EP	Summary

Final act

Decision 2011/724
OJ L 289 08.11.2011, p. 0030 Summary

Mobilisation of the European Globalisation Adjustment Fund: redundancies in automotive industry in Germany

PURPOSE: to mobilise the European Globalisation Adjustment Fund (EGF) in respect of redundancies in the automotive industry in Germany.

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

CONTENT: the European Globalisation Adjustment Fund (EGF) was established by Council Regulation No 1927/2006 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 on budgetary discipline allows for the mobilisation of the European Globalisation Adjustment Fund (EGF) through a flexibility mechanism, within the annual ceiling of EUR 500 million over and above the relevant headings of the financial framework.

The Commission services have carried out a thorough examination of the application submitted by Germany to mobilise the EGF. The main elements of the assessment are as follows:

Germany: application EGF/2011/003 DE/Arnsberg and Düsseldorf automotive: on 9 February 2011, Germany submitted application EGF/2011/003 DE/Arnsberg and Düsseldorf automotive for a financial contribution from the EGF, following redundancies in five enterprises operating in the NACE Revision 2 Division 29 ('Manufacture of motor vehicles, trailers and semi-trailers') in the NUTS II regions of Arnsberg (DEA5) Düsseldorf (DEA1) in Germany. The application was supplemented by additional information up to 28 April 2011.

In order to establish the link between the redundancies and the global financial and economic crisis, Germany5 argues that, as a consequence of the crisis, demand for new motor vehicles in the European Union (EU) decreased in 2009 by 5.6% compared to 2008. Faced with this drop in demand, manufacturers of motor vehicles reduced their production even more drastically.

This downward trend continued in 2010. The production of motor vehicles in the EU in the first three quarters of 2010 was 14% below that of

the same period in 2008. As Germany is the biggest motor vehicle manufacturing country in the EU the crisis had severe consequences for its motor vehicle manufacturing industry. In 2009 the turnover of the motor vehicles manufacturers in Germany decreased by 20% compared to 2008, whereas for the suppliers to these manufacturers the decrease for the same period was 26%. The redundancies covered by the present application concern specifically dismissals by the suppliers.

Germany submitted this application under the intervention criteria of Article 2(b) of Regulation (EC) No 1927/2006, which requires at least 500 redundancies over a nine-month period in enterprises operating in the same NACE Revision 2 Division in one region or two contiguous regions at NUTS II level in a Member State. The application cites 778 redundancies in five enterprises operating in the NACE Revision 2 Division 29 ('Manufacture of motor vehicles, trailers and semi-trailers') in the NUTS II regions of Arnsberg (DEA5) and Düsseldorf (DEA1) during the nine-month reference period from 1 March 2010 to 1 December 2010.

After a thorough examination of this application, the Commission has concluded in accordance with Article 10 of Regulation (EC) No 1927/2006 that the conditions for a financial contribution under this Regulation are met.

On the basis of the application from Germany, the proposed contribution from the EGF to the coordinated package of personalised services (including expenditure to implement EGF) is EUR 4 347 868, representing 65% of the total cost.

IMPACT ASSESSMENT: no impact assessment was carried out.

FINANCIAL IMPLICATIONS: considering the maximum possible amount of a financial contribution from the EGF under Article 10(1) of Regulation (EC) No 1927/2006, as well as the scope for reallocating appropriations, the Commission proposes to mobilise the EGF for the total amount referred to above, to be allocated under heading 1a of the financial framework.

The proposed amount of financial contribution will leave more than 25% of the maximum annual amount earmarked for the EGF available for allocations during the last four months of the year, as required by Article 12(6) of Regulation (EC) No 1927/2006.

By presenting this proposal to mobilise the EGF, the Commission initiates the simplified trialogue procedure, as required by Point 28 of the Interinstitutional Agreement of 17 May 2006, with a view to securing the agreement of the two arms of the budgetary authority on the need to use the EGF and the amount required. 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. In case of disagreement by either of the two arms of the budgetary authority, a formal trialogue meeting will be convened.

The Commission presents separately a transfer request in order to enter in the 2011 budget specific commitment and payment appropriations, as required in Point 28 of the Interinstitutional Agreement of 17 May 2006.

As a reinforcement of the EGF budget line 04.0501 by EUR 50 000 000 is foreseen through AB2/2011, this budget line will be used to cover the amount of EUR 4 347 868 needed for the present application.

Mobilisation of the European Globalisation Adjustment Fund: redundancies in automotive industry in Germany

The Committee on Budgets adopted the report drafted by Barbara MATERA (EPP, IT) on the proposal for a decision of the European Parliament and of the Council on mobilisation of the European Globalisation Adjustment Fund for an amount of EUR 4 347 868 in commitment and payment appropriationsin respect of redundancies in the automotive industry in Germany.

Members recall that the European Union has set up the appropriate legislative and budgetary instruments to provide additional support to workers who are suffering from the consequences of major structural changes in world trade patterns and to assist their reintegration into the labour market.

Given that Germany has requested assistance in respect of cases concerning 778 redundancies, all targeted for assistance, in five enterprises operating in the NACE Revision 2 Division 29 (?Manufacture of motor vehicles, trailers and semi-trailers?) in the NUTS II regions of Arnsberg (DEA5) and Düsseldorf (DEA1) in Germany, and that this application fulfils the eligibility criteria set up by the EGF Regulation, Members request the institutions involved to make the necessary efforts to accelerate the mobilisation of the EGF for the requested amount.

Members recall the institutions? commitment to ensuring a smooth and rapid procedure for the adoption of the decisions on the mobilisation of the EGF, providing one-off, time-limited individual support geared to helping workers who have suffered redundancies as a result of globalisation and the financial and economic crisis.

They also recall that:

- assistance from the EGF must not replace actions which are the responsibility of companies by virtue of national law or collective agreements, nor measures restructuring companies or sectors;
- the information provided on the coordinated package of personalised services to be funded from the EGF includes information on the complementarity with actions funded by the Structural Funds.

Members welcome the fact that, following repeated requests from the Parliament, for the first time the 2011 budget shows payment appropriations of EUR 47 608 950 on the EGF budget line 04 05 01. This dedicated allocation will avoid transfers from other budget lines, as happened in the past, which could be detrimental to the achievement of the various policies objectives.

Lastly, they welcome the reinforcement of the EGF budget line 04.05.01 by EUR 50 million through Amending budget No 3/2011, which will be used to cover the amount needed for this application.

Mobilisation of the European Globalisation Adjustment Fund: redundancies in automotive industry in Germany

The European Parliament adopted by 555 votes to 65, with 26 abstentions, a resolution on the proposal for a decision of the European

Parliament and of the Council on mobilisation of the European Globalisation Adjustment Fund for an amount of EUR 4 347 868 in commitment and payment appropriationsin respect of redundancies in the automotive industry in Germany.

Parliament recalls that the European Union has set up the appropriate legislative and budgetary instruments to provide additional support to workers who are suffering from the consequences of major structural changes in world trade patterns and to assist their reintegration into the labour market.

Given that Germany has requested assistance in respect of cases concerning 778 redundancies, all targeted for assistance, in five enterprises operating in the NACE Revision 2 Division 29 (?Manufacture of motor vehicles, trailers and semi-trailers?) in the NUTS II regions of Arnsberg (DEA5) and Düsseldorf (DEA1) in Germany, and that this application fulfils the eligibility criteria set up by the EGF Regulation, Parliament requests the institutions involved to make the necessary efforts to accelerate the mobilisation of the EGF for the requested amount.

Parliament recalls the institutions? commitment to ensuring a smooth and rapid procedure for the adoption of the decisions on the mobilisation of the EGF, providing one-off, time-limited individual support geared to helping workers who have suffered redundancies as a result of globalisation and the financial and economic crisis.

At the same time, Parliament also recalls that:

- assistance from the EGF must not replace actions which are the responsibility of companies by virtue of national law or collective agreements, nor measures restructuring companies or sectors;
- the information provided on the coordinated package of personalised services to be funded from the EGF includes information on the complementarity with actions funded by the Structural Funds.

It welcomes the fact that, following repeated requests from the Parliament, for the first time the 2011 budget shows payment appropriations of EUR 47 608 950 on the EGF budget line 04 05 01. This dedicated allocation will avoid transfers from other budget lines, as happened in the past, which could be detrimental to the achievement of the various policies objectives.

Lastly, Parliament welcomes the reinforcement of the EGF budget line 04.05.01 by EUR 50 million through Amending budget No 3/2011, which will be used to cover the amount needed for this application.

Mobilisation of the European Globalisation Adjustment Fund: redundancies in automotive industry in Germany

PURPOSE: to mobilise the European Globalisation Adjustment Fund (EGF) in respect of redundancies in the automotive industry in Germany.

LEGISLATIVE ACT: Decision 2011/724/EU of the European Parliament and of the Council on 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 (application EGF/2011/003 DE/Arnsberg and Düsseldorf automotive from Germany).

CONTENT: with this Decision, the European Parliament and the Council have decided to mobilise the European Globalisation Adjustment Fund to provide the sum of EUR 4 347 868 in commitment and payment appropriations in the framework of the general budget 2011.

This amount will assist Germany in respect of redundancies in five enterprises operating in the NACE Revision 2 Division 29 ("Manufacture of motor vehicles, trailers and semi-trailers") in the NUTS II regions of Arnsberg (DEA5) and Düsseldorf (DEA1).

Given that this application complies with the requirements for determining the financial contributions as laid down in Regulation (EC) No 1927/2006 (EGF), the abovementioned amount has been granted to Germany to meet its request.

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 on budgetary discipline allows for the mobilisation of the Fund through a flexibility mechanism, within the annual ceiling of EUR 500 million.

It should be noted that the scope of the EGF was broadened for applications submitted from 1 May 2009 to include support for workers made redundant as a direct result of the global financial and economic crisis.