Procedure file

Basic information

BUD - Budgetary procedure	2014/2107(BUD)	Procedure completed

Mobilisation of the European Globalisation Adjustment Fund: redundancies in the retail sector in Greece

Subject
3.40.17 Manufactured goods
4.15.05 Industrial restructuring, job losses, redundancies, relocations, Globalisation Adjustment Fund (EGF)
8.70.60 Previous annual budgets

Geographical area
Greece

Key players

European Parliament	Committee responsible	Rapporteur	Appointed
	BUDG Budgets	S&D NEGRESCU Victor	07/10/2014
	Committee for opinion	Rapporteur for opinion	Appointed
	EMPL Employment and Social Affairs	The committee decided not to give an opinion.	
	REGI Regional Development	The committee decided not to give an opinion.	
Council of the European Union	Council configuration	Meeting	Date
	Agriculture and Fisheries	3344	10/11/2014

Key events

07/10/2014	Non-legislative basic document published	COM(2014)0620	Summary
20/10/2014	Committee referral announced in Parliament		
04/11/2014	Vote in committee		
05/11/2014	Budgetary report tabled for plenary	A8-0023/2014	Summary
10/11/2014	Draft budget approved by Council		
13/11/2014	Results of vote in Parliament		
13/11/2014	Decision by Parliament	T8-0048/2014	Summary
13/11/2014	End of procedure in Parliament		

06/12/2014	Final act published in Official Journal		

Technical information

Procedure reference	2014/2107(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/8/01542

Documentation gateway

Non-legislative basic document		COM(2014)0620	07/10/2014	EC	Summary
Committee draft report		PE539.654	09/10/2014	EP	
Amendments tabled in committee		PE541.382	23/10/2014	EP	
Budgetary report tabled for plenary, 1st reading		A8-0023/2014	05/11/2014	EP	Summary
Budgetary text adopted by Parliament		T8-0048/2014	13/11/2014	EP	Summary

Final act

Decision 2014/879
OJ L 350 06.12.2014, p. 0013 Summary

Mobilisation of the European Globalisation Adjustment Fund: redundancies in the retail sector in Greece

PURPOSE: to mobilise the European Globalisation Adjustment Fund (EGF) to assist Greece in dealing with redundancies in its retail sector.

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

CONTENT: Article 12 of Council Regulation (EU, Euratom) No 1311/2013 laying down the multiannual financial framework for the years 2014-2020 provides that the EGF shall not exceed a maximum annual amount of EUR 150 million (2011 prices).

The rules applicable to financial contributions from the European Globalisation Adjustment Fund (EGF) are laid down in Regulation (EU) No 1309/2013 of the European Parliament and of the Council on the European Globalisation Adjustment Fund (2014-2020) and repealing Regulation (EC) No 1927/2006 (the 'EGF Regulation').

The Commission examined the application for mobilisation of the EGF to assist Ireland and concluded the following:

Greece: EGF/2014/009 EL/Sprider Stores: on 6 June 2014, the Greek authorities submitted application EGF/2014/009 EL/Sprider Stores for a financial contribution from the EGF, following redundancies in Sprider Stores S.A. in Greece. They submitted the application within 12 weeks of the date on which the intervention criteria were met, which expired on 6 June 2014.

In order to establish the link between the redundancies and the global financial and economic crisis addressed in Regulation (EC) No 546/2009, Greece argues that the Greek economy is for the sixth consecutive year (2008-2013) in deep recession.

According to the Greek authorities, the events giving rise to the redundancies were mainly two: (1) the decrease of available household income ? due to the increase in the tax burden, decreasing salaries (of both private and public employees) and rising unemployment ? resulting in a huge drop of purchasing power; (2) the drastic reduction of loans to enterprises and individuals due to the lack of cash in the Greek banks.

To date, the retail sector has been the subject of another three EGF applications also based on the global financial and economic crisis

Since Sprider Stores was present in all Greek regions, the redundancies are spread out over the whole Greece. The Greek authorities argue that the redundancies in Sprider Stores will further aggravate the unemployment situation, which already deteriorated as a result of the economic and financial crisis and seems to be particularly fragile. Greece has the highest unemployment rates amongst EU Member States.

Background to the request from Greece: the Greek authorities submitted the application under the intervention criterion of Article 4(1)(a) of the EGF Regulation, which requires at least 500 workers being made redundant or self-employed persons' activity ceasing, over a reference period of four months in an enterprise in a Member State, including workers made redundant or self-employed persons' activity ceasing in its suppliers and downstream producers.

The application relates to 761 workers made redundant in Sprider Stores S.A. an enterprise which operated in the economic sector classified under NACE Rev. 2 division 47 ('Retail trade, except of motor vehicles and motorcycles'). The stores were mainly located in the NUTS level 2 regions of Central Macedonia (EL12) and Attica (EL30).

The reference period of four months is from 17 November 2013 to 17 March 2014.

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.

The Commission proposes to mobilise the EGF for the amount of EUR 7 290 900 to make a contribution to the package of personalised services.

BUDGETARY IMPLICATION: having examined the application in respect of the conditions set out in Article 13(1) of the EGF Regulation, and having taken into account the number of targeted beneficiaries, the proposed actions and the estimated costs, the Commission proposes to mobilise the EGF for the amount of EUR 7 290 900, representing 60 % of the total costs of the proposed actions, in order to provide a financial contribution for the application.

The proposed decision to mobilise the EGF will be taken jointly by the European Parliament and the Council, as laid down in point 13 of the Interinstitutional Agreement of 2 December 2013 between the European Parliament, the Council and the Commission on budgetary discipline, on cooperation in budgetary matters and on sound financial management.

The Commission will present to the European Parliament and to the Council a proposal for a transfer to the relevant budgetary line for the requested amount.

At the same time as it adopts this proposal for a decision to mobilise the EGF, the Commission will adopt a decision on a financial contribution, by means of an implementing act, which will enter into force on the date at which the European Parliament and the Council adopt the proposed decision to mobilise the EGF.

Mobilisation of the European Globalisation Adjustment Fund: redundancies in the retail sector in Greece

The Committee on Budgets adopted the report by Victor NEGRESCU (S&D, RO) on the proposal for a decision of the European Parliament and of the Council on the mobilisation of the European Globalisation Adjustment Fund, to the amount of EUR 7 290 900 in commitment and payment appropriations in order to assist Greece following redundancies in the retail sector.

Members recalled that the Union set up 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.

Greek application: Greece submitted application EGF/2014/009 EL/Sprider Stores for a financial contribution from the EGF, following the dismissal of 761 workers, with all of the 761 dismissed workers expected to participate in the measures, in Sprider Stores S.A., an enterprise which operated in the retail sector in the regions of Central Macedonia and Attica of Greece.

The reference period was between 17 November 2013 and 17 March 2014.

Members agreed with the Commission that the intervention criteria set out in Article 4(1)(a) of the EGF Regulation are met and that, therefore, Greece is entitled to a financial contribution under that Regulation.

Members also welcomed the speedy evaluation by the Commission of less than five months.

They welcomed the fact that, in order to provide workers with speedy assistance, the Greek authorities decided to initiate the implementation of the personalised services to the affected workers on 1 September 2014, ahead of the final decision on granting the EGF support for the proposed coordinated package.

Coordinated package of personalised services: the personalised services which are to be provided to workers made redundant consist of the following actions which combine to form a co-ordinated package of personalised services: occupational guidance and career planning supports, training, retraining and vocational training, contribution to business start-up, job-search allowance and training allowance, mobility allowance.

New EGF: Members noted that the income supports measures will be strictly limited to a maximum amount of 35% of the overall package of personalised measures, as set out in the EGF Regulation and that these actions are conditional on the active participation of the targeted beneficiaries in job-search or training activities.

They welcomed the adoption of the EGF Regulation which reflects the agreement reached between the Parliament and the Council to reintroduce the crisis mobilisation criterion, to increase Union financial contribution to 60% of the total estimated cost of proposed measures, to increase efficiency for the treatment of EGF applications in the Commission and by the Parliament and the Council by shortening time for assessment and approval, to widen eligible actions and beneficiaries by introducing self-employed persons and young people and to finance incentives for setting up own businesses.

Lastly, they recalled that in line with Article 7 of the EGF Regulation, the design of the coordinated package of personalised services should be compatible with the shift towards a resource-efficient and sustainable economy.

Mobilisation of the European Globalisation Adjustment Fund: redundancies in the retail sector in Greece

The European Parliament adopted by 573 votes to 75, with 15 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 to the amount of EUR 7 290 900 in

commitment and payment appropriations in order to assist Greece following redundancies in the retail sector.

Parliament recalled that the Union set up 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.

Greek application: Greece submitted application EGF/2014/009 EL/Sprider Stores for a financial contribution from the EGF, following the dismissal of 761 workers, with all of the 761 dismissed workers expected to participate in the measures, in Sprider Stores S.A., an enterprise which operated in the retail sector in the regions of Central Macedonia and Attica of Greece.

The reference period was between 17 November 2013 and 17 March 2014.

Parliament agreed with the Commission that the intervention criteria set out in Article 4(1)(a) of the EGF Regulation are met and that, therefore, Greece is entitled to a financial contribution under that Regulation.

Parliament also welcomed the speedy evaluation by the Commission of less than five months. It welcomed the fact that, in order to provide workers with speedy assistance, the Greek authorities decided to initiate the implementation of the personalised services to the affected workers on 1 September 2014, ahead of the final decision on granting the EGF support for the proposed coordinated package.

Nature of the redundancies: Parliament agreed that the crisis resulted in a huge drop of purchasing power and the drastic reduction in loans to enterprises and individuals due to the lack of cash in the Greek banks. It noted that, to date, the retail sector has been the subject of another three EGF applications also based on the global financial and economic crisis.

These redundancies will further aggravate the unemployment situation in the country.

NEET: Parliament stated that, in addition to the 761 redundancies, the Greek authorities will provide personalised services co-financed by the EGF to up to 550 young people not in employment, education or training (NEETs) under the age of 30.

The proposed actions should be adapted to take into account the differences between the needs of dismissed workers and selected NEETs. The maximum eligible amount of EUR 15 000 will be granted to 200 selected workers and NEETs as a contribution to setting up their own businesses.

Coordinated package of personalised services: Parliament stated that the personalised services which are to be provided to workers made redundant consist of the following actions which combine to form a co-ordinated package of personalised services: occupational guidance and career planning supports, training, retraining and vocational training, contribution to business start-up, job-search allowance and training allowance, mobility allowance.

New EGF: Parliament noted that the income supports measures will be strictly limited to a maximum amount of 35% of the overall package of personalised measures, as set out in the EGF Regulation and that these actions are conditional on the active participation of the targeted beneficiaries in job-search or training activities.

It welcomed the adoption of the EGF Regulation which reflects the agreement reached between the Parliament and the Council to reintroduce the crisis mobilisation criterion, to increase Union financial contribution to 60% of the total estimated cost of proposed measures, to increase efficiency for the treatment of EGF applications in the Commission and by the Parliament and the Council by shortening time for assessment and approval, to widen eligible actions and beneficiaries by introducing self-employed persons and young people and to finance incentives for setting up own businesses.

Lastly, it recalled that in line with Article 7 of the EGF Regulation, the design of the coordinated package of personalised services should be compatible with the shift towards a resource-efficient and sustainable economy.

Mobilisation of the European Globalisation Adjustment Fund: redundancies in the retail sector in Greece

PURPOSE: to mobilise the European Globalisation Adjustment Fund (EGF) in respect of redundancies in the retail sector in Greece.

NON-LEGISLATIVE ACT: Decision 2014/879/EU of the European Parliament and of the Council on the mobilisation of the European Globalisation Adjustment Fund, in accordance with point 13 of the Interinstitutional Agreement of 2 December 2013 between the European Parliament, the Council and the Commission on budgetary discipline, on cooperation in budgetary matters and on sound financial management (application EGF/2014/009 EL/Sprider Stores, from Greece).

CONTENT: with this Decision, the European Parliament and the Council have decided to mobilise the EGF for an amount of EUR 7 290 900 in commitment and payment appropriations in the framework of the 2014 general budget of the European Union.

This amount shall assist Greece following redundancies in Sprider Stores SA.

Given that this application complies with the requirements for determining the financial contributions as laid down in Regulation (EU) No 1309/2013 (MFF Regulation 2014-2020), the European Parliament and Council have decided to grant the abovementioned amount.

Furthermore, Greece has decided to provide personalised services co-financed by the EGF also to young people not in employment, education or training (NEETs), as is authorised by the EGF Regulation 2014-2020.

To recall, the EGF was established to provide support for workers made redundant and self-employed persons whose activity has ceased as a result of major structural changes in world trade patterns due to globalisation, as a result of a continuation of the global financial and economic crisis addressed in Regulation (EC) No 546/2009, or as a result of a new global financial and economic crisis and to assist them with their reintegration into the labour market.

Regulation (EU, Euratom) No 1311/2013 laying down the multiannual financial framework for the years 2014-2020 provides that the EGF shall not exceed a maximum annual amount of EUR 150 million.