

# Procedure file

Basic information		
BUD - Budgetary procedure	<a href="#">2014/2166(BUD)</a>	Procedure completed
Mobilisation of the European Globalisation Adjustment Fund: redundancies in the food manufacturing sector in France		
Subject		
3.40.13 Food industry		
4.15.05 Industrial restructuring, job losses, redundancies, relocations, Globalisation Adjustment Fund (EGF)		
8.70.60 Previous annual budgets		
Geographical area		
France		

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	<b>BUDG</b> Budgets	 <a href="#">JÄÄTTEENMÄKI Anneli</a>	28/10/2014
		Shadow rapporteur	
		 <a href="#">FERNANDES José Manuel</a>	
		 <a href="#">THOMAS Isabelle</a>	
		 <a href="#">KÖLMEL Bernd</a>	
		 <a href="#">VANA Monika</a>	
		 <a href="#">ZANNI Marco</a>	
	Committee for opinion	Rapporteur for opinion	Appointed
	<b>EMPL</b> Employment and Social Affairs	The committee decided not to give an opinion.	
	<b>REGI</b> Regional Development	The committee decided not to give an opinion.	
Council of the European Union	Council configuration	Meeting	Date
	<a href="#">Education, Youth, Culture and Sport</a>	<a href="#">3349</a>	25/11/2014

Key events			
24/10/2014	Non-legislative basic document published	<a href="#">COM(2014)0662</a>	Summary

12/11/2014	Committee referral announced in Parliament		
20/11/2014	Vote in committee		
21/11/2014	Budgetary report tabled for plenary	<a href="#">A8-0044/2014</a>	Summary
25/11/2014	Results of vote in Parliament		
25/11/2014	Decision by Parliament	<a href="#">T8-0057/2014</a>	Summary
25/11/2014	Draft budget approved by Council		
06/12/2014	End of procedure in Parliament		
06/12/2014	Final act published in Official Journal		

### Technical information

Procedure reference	2014/2166(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/8/01869

### Documentation gateway

Non-legislative basic document	<a href="#">COM(2014)0662</a>	24/10/2014	EC	Summary
Committee draft report	<a href="#">PE541.441</a>	30/10/2014	EP	
Amendments tabled in committee	<a href="#">PE541.622</a>	12/11/2014	EP	
Budgetary report tabled for plenary, 1st reading	<a href="#">A8-0044/2014</a>	21/11/2014	EP	Summary
Budgetary text adopted by Parliament	<a href="#">T8-0057/2014</a>	25/11/2014	EP	Summary

### Final act

[Decision 2014/876](#)  
[OJ L 350 06.12.2014, p. 0007](#) Summary

## Mobilisation of the European Globalisation Adjustment Fund: redundancies in the food manufacturing sector in France

**PURPOSE:** to mobilise the European Globalisation Adjustment Fund (EGF) to assist France following redundancies in its food manufacturing 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 France and concluded the following:

**France:**EGF/2014/005 FR/GAD: the French authorities submitted application EGF/2014/005 FR/GAD for a financial contribution from the EGF, following redundancies in GAD société anonyme simplifiée in France. The authorities submitted the application within the 12 week delay as set

out in the EGF Regulation, which expires on 24 October 2014.

In order to establish the link between the redundancies and the global financial and economic crisis, France argues that the global financial and economic crisis led to reduced pigmeat consumption in Europe, which in turn caused a decline in the production of pigmeat and throughput of abattoirs such as GAD. While pigmeat consumption in 2007 was still 43 kg per annum per head of population, it had dropped to 39 kg per annum in 2013. This decline in consumption, caused by the global financial and economic crisis, affected other types of meat as well, but hit pork particularly hard, as its price had been increasing faster than that of other meats, particularly beef.

At a time when the EU was still suffering from the effects of the crisis, consumers were unwilling or unable to buy the same amounts of pork which they had previously bought. GAD, as an abattoir and meat processing enterprise, was caught in the vice between the two sets of price pressures that of the farmers struggling to cope with the increased price of feed, and that of the consumers struggling to cope with reduced income. As this pressure lasted for five years and more, the enterprise ended up in serious financial difficulties and it became loss-making in 2009.

Finally, the company was placed into receivership, having made losses of EUR 65 million during the period 2010 to June 2013.

To date, the 'Manufacture of food products' sector has been the subject of one other EGF application, also based on the global financial and economic crisis.

Background to the French application: the French authorities submitted the application under the intervention criteria 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 by suppliers and downstream producers and / or self-employed persons whose activity has ceased.

The application relates to 744 workers made redundant in GAD during the reference period of four months from 29 November 2013 to 28 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.

In view of the French request, it is proposed to mobilise the EGF for the amount of EUR 918 000 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 918 000, 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.

At the same time as it presents this proposal for a decision to mobilise the EGF, 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.

When the Commission adopts this proposal for a decision to mobilise the EGF, it will also 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 food manufacturing sector in France

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The Committee on Budgets adopted the report by Anneli JÄÄTTEENMÄKI (ALDE, FI) 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 918 000 in commitment and payment appropriations in order to assist France following redundancies in the food manufacturing 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.

French application: France submitted application EGF/2014/005 FR/GAD on 6 June 2014 following the dismissal of 744 workers in GAD société anonyme simplifiée, an enterprise which operated in the economic sector classified under NACE Rev. 2 division 10 ('Manufacture of food products'). Members noted that the French authorities submitted the application under the intervention criterion set out in 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. Therefore, France is entitled to a financial contribution under that Regulation.

They welcomed the fact that, in order to provide workers with speedy assistance, the French authorities decided to initiate the implementation of the personalised services to the affected workers on 3 January 2014, ahead of the final decision on granting the EGF support for the proposed coordinated package.

Nature of the redundancies: Members noted that these redundancies will aggravate the unemployment situation in Bretagne, as employment in this region is dependent on the agro-agricultural sector to a higher extent than the average in France (11% in Bretagne as opposed to 5% on average in France). They stated that 17.5% of the dismissed workers are aged between 55 and 64 years. This age group is at a higher risk of prolonged unemployment and exclusion from the labour market. They considered, therefore, that these workers may have specific needs when it comes to providing them with personalised services.

Coordinated package of personalised services: Members regretted that the personalised services which are to be provided consist of only one action: to be implemented by a one-stop-shop (Cellule de reclassement) which is run by two contracting agencies. They expressed concerns with regard to the low amount of funds per worker (approximately EUR 1 200) and called on the French authorities to propose a more

ambitious programme for the remaining closing sites of GAD. Members recalled that the funds have to help the workers and not, in any case, support the agencies.

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 food manufacturing sector in France

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The European Parliament adopted by 593 votes to 80, with 16 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 918 000 in commitment and payment appropriations in order to assist France following redundancies in the food manufacturing 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.

French application: France submitted application EGF/2014/005 FR/GAD on 6 June 2014 following the dismissal of 744 workers in GAD société anonyme simplifiée, an enterprise which operated in the economic sector classified under NACE Rev. 2 division 10 ('Manufacture of food products'). Parliament noted that the French authorities submitted the application under the intervention criterion set out in 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. Therefore, France is entitled to a financial contribution under that Regulation.

Parliament welcomed the fact that, in order to provide workers with speedy assistance, the French authorities decided to initiate the implementation of the personalised services to the affected workers on 3 January 2014, ahead of the final decision on granting the EGF support for the proposed coordinated package.

Nature of the redundancies: Parliament stated that GAD, as an abattoir and meat processing enterprise, was caught in the vice between two sets of price pressures, that of farmers struggling to cope with the increased price of feed and that of consumers struggling to cope with reduced income (in particular the increase of prices for pig feed and the reduction of pig meat consumption). Parliament also noted that other factors played an important role in the company's difficulties, such as unfair competition within the internal market from competitors making an abusive use of the Posting of Workers Directive and the absence of a decent minimum wage in all Members States.

Parliament called on the Commission to ensure a level playing field within the internal market and the consistency of its legislation and instruments.

Parliament noted that these redundancies will aggravate the unemployment situation in Bretagne, as employment in this region is dependent on the agro-agricultural sector to a higher extent than the average in France (11% in Bretagne as opposed to 5% on average in France).

Dismissed workers: Parliament stated that 17.5% of the dismissed workers are aged between 55 and 64 years. This age group is at a higher risk of prolonged unemployment and exclusion from the labour market. It considered, therefore, that these workers may have specific needs when it comes to providing them with personalised services.

Coordinated package of personalised services: Parliament regretted that the personalised services which are to be provided consist of only one action: to be implemented by a one-stop-shop (Cellule de reclassement) which is run by two contracting agencies. It expressed concerns with regard to the low amount of funds per worker (approximately EUR 1 200) and called on the French authorities to propose a more ambitious programme for the remaining closing sites of GAD. Parliament recalled that the funds have to help the workers and not, in any case, support the agencies.

## Mobilisation of the European Globalisation Adjustment Fund: redundancies in the food manufacturing sector in France

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**PURPOSE:** to mobilise the European Globalisation Adjustment Fund (EGF) in respect of redundancies in the food manufacturing sector in France.

**NON-LEGISLATIVE ACT:** Decision 20014/876/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/2014/005 FR/GAD, from France).

**CONTENT:** with this Decision, the European Parliament and the Council have decided to mobilise the EGF for an amount of EUR 918 000 in commitment and payment appropriations in the framework of the 2014 general budget of the European Union.

This amount shall assist France following redundancies in GAD société anonyme simplifiée.

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.

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.

