Procedure file

Basic information

BUD - Budgetary procedure 2015/2209(BUD)	Procedure completed
Mobilisation of the European Globalisation Adjustment Fund: redundancies in the automotive industry in Belgium 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) 8.70.55 2015 budget Geographical area Belgium	

Key players

European Parliament	Committee responsible	Rapporteur	Appointed
	BUDG Budgets		03/09/2015
		RÜBIG Paul	
		Shadow rapporteur	
		NEGRESCU Victor	
		KÖLMEL Bernd	
		DEPREZ Gérard	
		VANA Monika	
		ZANNI Marco	
	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
	Employment, Social Policy, Health and Consumer Affairs	3412	05/10/2015
European Commission	Commission DG	Commissioner	
	Budget	GEORGIEVA Kristalina	

Key events

14/07/2015	Non-legislative basic document published	COM(2015)0336	Summary
07/09/2015	Committee referral announced in Parliament		
29/09/2015	Vote in committee		
30/09/2015	Budgetary report tabled for plenary	A8-0272/2015	Summary
05/10/2015	Draft budget approved by Council		
06/10/2015	Results of vote in Parliament		
06/10/2015	Decision by Parliament	T8-0334/2015	Summary
06/10/2015	End of procedure in Parliament		
20/10/2015	Final act published in Official Journal		

Technical information

Procedure reference	2015/2209(BUD)
Procedure type	BUD - Budgetary procedure
Procedure subtype	Mobilisation of funds
Stage reached in procedure	Procedure completed
Committee dossier	BUDG/8/04321

Documentation gateway

Non-legislative basic document		COM(2015)0336	14/07/2015	EC	Summary
Committee draft report		PE565.195	02/09/2015	EP	
Amendments tabled in committee		PE567.720	16/09/2015	EP	
Budgetary report tabled for plenary, 1st reading		A8-0272/2015	30/09/2015	EP	Summary
Budgetary text adopted by Parliament		T8-0334/2015	06/10/2015	EP	Summary

Final act

Decision 2015/1869
OJ L 275 20.10.2015, p. 0024 Summary

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

PURPOSE: to mobilise the European Globalisation Adjustment Fund (EGF) to assist Belgium following redundancies in its automotive industry.

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) over and above the relevant headings of the financial framework.

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

Belgium: EGF/2015/003 BE/Ford Genk: on 24 March 2015, Belgium submitted an application EGF/2015/003 BE/Ford Genk for a financial contribution from the EGF, following redundancies in Ford Genk and 11 suppliers and dowstream producers in Belgium.

Belgium submitted its application within 12 weeks of the date on which the intervention criteria set out in the EGF Regulation were met. The deadline of 12 weeks of the receipt of the complete application within which the Commission should finalise its assessment of the application's compliance with the conditions for providing a financial contribution expires on 11 August 2015.

In order to establish the link between the redundancies and major structural changes in world trade patterns due to globalisation, Belgium argues that the European automotive industry has lost significant market share within the past decade.

A main driving force behind this trend is the geographical shift in consumption linked to globalisation, in particular the rapid growth in demand on the Asian market from which EU manufacturers are less able to benefit, being traditionally less well positioned on these markets.

In absolute terms, while the EU faced a production decline for passenger cars of 14.6% between 2007 and 2012, global production increased by 18.9%, notably in China (143.3%) as well as other South-East Asian and Middle Eastern economies.

The economic and financial crisis aggravated the situation for the European automotive industry, which has also been hampered by import restrictions in third countries (new import licensing requirements, e.g. in Argentina and Brazil and rising import duties, e.g. in Russia).

Figures for Belgium indicate that the Belgian car industry has suffered the full impact of these trends.

To date, the NACE Revision 2 Division 29 sector (Manufacture of motor vehicles, trailers and semi-trailers) has been the subject of 21 EGF applications, 11 of which based on trade related globalisation and 10 on the global financial and economic crisis.

Basis of the Belgian application: Belgium 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 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 reference period of four months for the application runs from 1 September 2014 to 31 December 2014.

The redundancies during the reference period are as follows:

- 3 701 workers made redundant in Ford Genk;
- 1 180 workers made redundant in 11 suppliers and downstream producers of Ford Genk.

In view of the Belgian request, it is proposed to mobilise the EGF for the amount of EUR 6 268 564 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 6 268 564, 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 required 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 automotive industry in Belgium

The Committee on Budgets adopted the report by Paul RÜBIG (EPP, AT) 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 6 268 564 in commitment and payment appropriations to assist Belgium following redundancies in its automotive industry.

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.

Belgian application: Belgium submitted application EGF/2015/003 BE/Ford Genk for a financial contribution from the EGF following 5 111 redundancies of which 3701 workers were made redundant in Ford Genk and 1180 in 11 suppliers and downstream producers, operating in the NACE Rev. 2 division 29 ('Manufacture of motor vehicles, trailers and semi-trailers') and 11 suppliers or downstream producers, whereas the estimate number of 4 500 redundant workers are expected to participate in the measures. Members noted that the conditions set out in Article 4(1)(a) of the EGF Regulation are met. Therefore, Belgium is entitled to a financial contribution under that Regulation.

Nature of the redundancies: the Belgian car industry has suffered a production decline of 15.58% as global production increased by 18.9%. Ford Genk has been the largest employer in the province of Limburg and these redundancies cause considerable damage to the Limburg economy.

A first wave of dismissals in Ford Genk in 2013 gave way to a first EGF application also based on globalisation, which is currently being implemented and that this second application relates to the redundancies at the Ford Genk plant carried out in 2014 up to the final closure of the facility in December 2014.

A package of personalised services: Members noted that the Belgian authorities decided to initiate the implementation of the personalised services to the affected workers on 1 January 2015, well ahead of the decision and even the application on the granting the EGF support for the proposed coordinated package. Belgium is planning three types of measures for the redundant workers covered by this application: (i) individual job search assistance, case management and general information services, (ii) training and re-training, and (iii) allowances and incentives.

Members welcomed that the coordinated package of personalised services has been drawn up in consultation with the targeted beneficiaries, their representatives, social partners, local, regional and national public employment bodies and training institutions as well as the company.

The Belgian authorities confirmed that the eligible actions do not receive assistance from other Union financial instruments. In this regard, the Commission is called upon to present a comparative evaluation of those data in its annual reports in order to ensure full respect for the existing regulations and that no duplication of Union-funded services can occur.

Members also welcomed that the authorities plan to utilise most of the available funds for personalised services and only 4.94% of the total costs for the coordinated package of personalised services will be used for allowances and incentives, which remains much below the maximum allowed 35%.

Lastly, Members appreciated the improved procedure put in place by the Commission, following the Parliament's request for the accelerated release of grants and noted that the time pressure that the new timetable implies and the potential impact on the effectiveness of case instruction.

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

PURPOSE: to mobilise the European Globalisation Adjustment Fund (EGF) to come to the aid of Belgium following redundancies in its car industry.

NON-LEGISLATIVE ACT: Decision (EU) 2015/1869 of the European Parliament and of the Council on the mobilisation of the European Globalisation Adjustment Fund (application from Germany EGF/2015/003 BE/Ford Genk).

CONTENT: with this Decision, the European Parliament and Council decide to mobilise the sum of EUR 6 268 564 in commitment and payment appropriations from the European Globalisation Adjustment Fund for the general budget for the financial year 2015.

This sum is intended to assist Germany following redundancies in Ford Genk and 11 suppliers and downstream producers.

Noting that the application complies with the requirements for determining a financial contribution from the EGF as laid down in Regulation (EU) No 1309/2013 (EGF Regulation 2014-2020), Parliament and Council decided to respond by granting the above amount.

To recall, the European Globalisation Adjustment Fund aims 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, or as a result of a new global financial and economic crisis, and to assist them with their reintegration into the labour market.

The EGF is not to exceed a maximum annual amount of EUR 150 million as laid down in Council Regulation (EU, Euratom) No 1311/2013.

ENTRY INTO FORCE: 20.10.2015. The Decision is applicable from 6.10.2015.

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

The European Parliament adopted by 608 votes to 77, with 9 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 6 268 564 in commitment and payment appropriations to assist Belgium following redundancies in its automotive industry.

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.

Belgian application: Belgium submitted application EGF/2015/003 BE/Ford Genk for a financial contribution from the EGF following 5 111 redundancies were made redundant in Ford Genk, operating in the NACE Rev. 2 division 29 ('Manufacture of motor vehicles, trailers and semi-trailers') and in 11 suppliers and downstream producers, whereas the estimate number of 4 500 redundant workers are expected to participate in the measures. Given that the conditions set out in Article 4(1)(a) of the EGF Regulation are met, Belgium is entitled to a financial contribution under that Regulation.

Nature of the redundancies: Parliament noted that the Belgian car industry has suffered a production decline of 15.58% as global production increased by 18.9%. Ford Genk has been the largest employer in the province of Limburg and these redundancies cause considerable damage to the Limburg economy. These redundancies caused considerable damage to the Limburg economy with a total loss of more than 8 000 jobs (including indirect job losses), most of which are Union citizens between 30 and 54 years of age, a rise in the unemployment rate of between 1.8 and 2 percentage points (up to a 29.4% increase in the region's unemployment rate from 6.8% to 8.8%).

Parliament stated that a first wave of dismissals in Ford Genk in 2013 gave way to a first EGF application also based on globalisation, which is currently being implemented and that this second application relates to the redundancies at the Ford Genk plant carried out in 2014 up to the final closure of the facility in December 2014.

A package of personalised services: Parliament welcomed that the Belgian authorities decided to initiate the implementation of the personalised services to the affected workers on 1 January 2015, well ahead of the decision and even the application on the granting the EGF support for the proposed coordinated package.

Belgium is planning three types of measures for the redundant workers covered by this application:

- individual job search assistance, case management and general information services,
- training and re-training, and
- allowances and incentives.

It welcomed that the coordinated package of personalised services has been drawn up in consultation with the targeted beneficiaries, their representatives, social partners, local, regional and national public employment bodies and training institutions as well as the company.

The Belgian authorities confirmed that the eligible actions do not receive assistance from other Union financial instruments. In this regard, the Commission is called upon to present a comparative evaluation of those data in its annual reports in order to ensure full respect for the existing regulations and that no duplication of Union-funded services can occur.

Parliament also welcomed that the authorities plan to utilise most of the available funds for personalised services and only 4.94% of the total costs for the coordinated package of personalised services will be used for allowances and incentives, which remains much below the maximum allowed 35%.

Lastly, Parliament appreciated the improved procedure put in place by the Commission, following the Parliament's request for the accelerated release of grants and noted that the time pressure that the new timetable implies and the potential impact on the effectiveness of case instruction.