

Procedure file

Basic information		
BUD - Budgetary procedure	2016/2050(BUD)	Procedure completed
Mobilisation of the European Globalisation Adjustment Fund: redundancies in the retail sector in Greece		
Subject		
3.40.17 Manufactured goods		
3.40.18 Services sector		
4.15.05 Industrial restructuring, job losses, redundancies, relocations, Globalisation Adjustment Fund (EGF)		
8.70.56 2016 budget		
Geographical area		
Greece		

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	 Budgets	Shadow rapporteur	
		 NEGRESCU Victor	
		 VANA Monika	
		 ZANNI Marco	
	Committee for opinion	Rapporteur for opinion	Appointed
	 Employment and Social Affairs	The committee decided not to give an opinion.	
	 Regional Development	The committee decided not to give an opinion.	
Council of the European Union	Council configuration	Meeting	Date
	Transport, Telecommunications and Energy	3472	06/06/2016
European Commission	Commission DG	Commissioner	
	Budget	GEORGIEVA Kristalina	

Key events			
14/04/2016	Non-legislative basic document published	COM(2016)0210	Summary
28/04/2016	Committee referral announced in Parliament		
23/05/2016	Vote in committee		
24/05/2016	Budgetary report tabled for plenary	A8-0181/2016	Summary

26/05/2016	Results of vote in Parliament		
26/05/2016	Decision by Parliament	T8-0230/2016	Summary
06/06/2016	Draft budget approved by Council		
06/06/2016	End of procedure in Parliament		
21/06/2016	Final act published in Official Journal		

Technical information

Procedure reference	2016/2050(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/8/06235

Documentation gateway

Non-legislative basic document	COM(2016)0210	14/04/2016	EC	Summary
Committee draft report	PE580.770	20/04/2016	EP	
Amendments tabled in committee	PE582.280	10/05/2016	EP	
Budgetary report tabled for plenary, 1st reading	A8-0181/2016	24/05/2016	EP	Summary
Budgetary text adopted by Parliament	T8-0230/2016	26/05/2016	EP	Summary

Final act

[Decision 2016/990](#)
[OJ L 162 21.06.2016, p. 0012](#) 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 respect of redundancies in the retail sector.

PROPOSED ACT: 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](#).

In this context, the Commission examined the application for mobilisation of the EGF to assist Greece and concluded the following:

Greece: EGF/2015/011 GR/Supermarket Larissa: on 26 November 2015, Greece submitted application EGF/2015/011 GR/Supermarket Larissa for a financial contribution from the EGF following redundancies in Supermarket Larissa ABEE in Greece.

Greece submitted the application within 12 weeks of the date on which the intervention criteria were met. This deadline expired on 14 April 2016.

In order to establish the link between the redundancies and major structural changes in world trade patterns due to globalisation, Greece argued that the Greek economy was in deep recession for six consecutive years (from 2008 to 2013). Since 2008 the Greek GDP has

decreased by 25.7%, public consumption by 21 % and private consumption by 32.3 % whilst unemployment increased about 19 %. Moreover the decline in GDP has widened the gap between the Greek per capita GDP and the per capita GDP of the EU, cancelling the progress towards economic convergence made by Greece in the 1995-2007 period.

Furthermore, to deal with foreign debt repayments, since 2008 the Greek government has been taking unpopular measures such as increasing tax rates, streamlining public expenditure and decreasing public employees' salaries. Since 2008, thousands of enterprises have stopped their activities and closed down, making their staff redundant and thousands of self-employed persons have ceased their activities, contributing to the sharp increase in unemployment already mentioned.

Due to the drop of purchasing power of Greek households following the decline of the Greek economy since the beginning of the economic and financial crisis, demand for products, even basic staples, declined. In 2015, after declining for five consecutive years, volumes of retail trade of food, beverages and tobacco were more than 30 % lower than the early-crisis volumes of 2008. The sales of Supermarket Larissa followed the same downturn as the Greek economy and in 2013 sales were 24 % lower than in 2009. The enterprise could not overcome its losses and eventually had to close the shops one after another during Q2 2014.

Most of the redundancies (97.5 %) are concentrated in Thessalia, in the NUTS level 3 territory of Larissa (EL142). There is a lack of job offers in the region if compared with the high number of job seekers. As a result, 73.5 % of the unemployed persons have been unemployed for more than 12 months in Thessalia.

Basis of the Greek application: Greece submitted the application under the intervention criteria of Article 4(1)(a), 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 runs from 3 May 2015 to 3 September 2015. During the reference period 557 workers were made redundant in Supermarket Larissa ABEE.

In view of the nature of the Greek application, it is proposed that the EGF contribute to the coordinated package of personalised services is EUR 6 468 000.

BUDGETARY IMPLICATIONS: 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 6 468 000, 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.

In parallel with 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 Liadh Ní RIADA (GUE/NGL, IE) on the proposal for a decision of the European Parliament and of the Council on the mobilisation of the European Globalisation Adjustment Fund for an amount of EUR 6 468 000 in commitment and payment appropriations to assist Greece in respect of 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 or of the global financial and economic crisis and to assist their reintegration into the labour market.

Greek application: Greece submitted application EGF/2015/011 GR/Supermarket Larissa for a financial contribution from the EGF, following dismissals in the economic sector classified under the NACE Revision 2 Division 47 (retail trade, except of motor vehicles and motorcycles) in the NUTS level 2 regions of Central Macedonia (????????? ??????????) and Thessalia (?????????). Members noted that 557 dismissed workers, as well as 543 young people not in employment, education or training (NEETs) under the age of 30 from the same regions are expected to participate in the measures.

They recalled that the workers were dismissed following the bankruptcy and closure of Supermarket Larissa ABEE.

The application was submitted under the intervention criteria of point (a) of Article 4(1) of the EGF Regulation, which requires at least 500 workers being dismissed over a reference period of four months in an enterprise in a Member State, including workers dismissed by suppliers and downstream producers and / or self-employed persons whose activity has ceased.

Therefore, Greece is entitled to a financial contribution.

Nature of the redundancies: Members noted that, as a consequence of the deep recession of the Greek economy followed by a decline of household consumption and purchasing power, the volumes of retail trade of food, beverages and tobacco were more than 30 % lower in 2015 than the early-crisis volumes of 2008. They noted that the sales of Supermarket Larissa followed the same downwards trend.

Members also noted that Supermarket Larissa, a cooperative of small grocery stores founded in 1986, with 42 shops and 600 workers, could not overcome its losses and had to close its shops during the second quarter of 2014. They pointed out that this was not prevented by the austerity measures, in particular wage cuts (-30 %), the renegotiation of leases and the putting off of the maturity date of bills. This situation is also due to the drastic reduction in loans to enterprises, in a context where quantitative easing by the ECB failed to kickstart loans.

A package of personalised services: Members welcomed the fact that the Greek authorities started providing the personalised services to the affected workers on 26 February 2016, ahead of the decision on the granting the EGF support for the proposed coordinated package.

They noted that the measures planned by Greece for the dismissed workers and for the NEETs comprise the following categories:

- occupational guidance;
- training, retraining and vocational training;
- contribution to business start-up;
- participation allowance and training allowance;
- mobility allowance.

The income-support 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 those actions are conditional on the active participation of the targeted beneficiaries in job-search or training activities. They noted the rather high amount (EUR 15 000) to be received, as part of personalised services, by the workers or NEETs who will set up their own business.

Members recalled that in line with the EGF Regulation, the design of the coordinated package of personalised services should anticipate future labour market perspectives and required skills and should be compatible with the shift towards a resource-efficient and sustainable economy.

They recalled the need to improve the employability of all workers by means of adapted training and expects that the training offered in the coordinated package will meet both needs of the workers and the business environment. They called on the Commission to provide more details in future proposals on the sectors having prospects to grow, and therefore to hire people.

They noted that the Greek authorities confirm that the eligible actions do not receive assistance from other Union financial instruments.

Lastly, Members recalled their appeal to the Commission to assure public access to all the documents related to EGF cases.

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

The European Parliament adopted by 551 votes to 67, with 2 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 for EUR 6 468 000 in commitment and payment appropriations to assist Greece in respect of 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 or of the global financial and economic crisis and to assist their reintegration into the labour market.

Greek application: Greece submitted application EGF/2015/011 GR/Supermarket Larissa for a financial contribution from the EGF, following dismissals in the economic sector classified under the NACE Revision 2 Division 47 (retail trade, except of motor vehicles and motorcycles) in the NUTS level 2 regions of Central Macedonia (????????? ??????????) and Thessalia (?????????). Parliament noted that 557 dismissed workers, as well as 543 young people not in employment, education or training (NEETs) under the age of 30 from the same regions are expected to participate in the measures.

It recalled that the workers were dismissed following the bankruptcy and closure of Supermarket Larissa ABEE.

The application was submitted under the intervention criteria of point (a) of Article 4(1) of the EGF Regulation, which requires at least 500 workers being dismissed over a reference period of four months in an enterprise in a Member State, including workers dismissed by suppliers and downstream producers and / or self-employed persons whose activity has ceased.

Therefore, Greece is entitled to a financial contribution.

Nature of the redundancies: Parliament noted that, as a consequence of the deep recession of the Greek economy followed by a decline of household consumption and purchasing power, the volumes of retail trade of food, beverages and tobacco were more than 30 % lower in 2015 than the early-crisis volumes of 2008. It stated that the sales of Supermarket Larissa followed the same downwards trend.

Members also noted that Supermarket Larissa, a cooperative of small grocery stores founded in 1986, with 42 shops and 600 workers, could not overcome its losses and had to close its shops during the second quarter of 2014. They pointed out that this was not prevented by the austerity measures, in particular wage cuts (-30 %), the renegotiation of leases and the putting off of the maturity date of bills. This situation is also due to the drastic reduction in loans to enterprises, in a context where quantitative easing by the ECB failed to kickstart loans.

A package of personalised services: Parliament welcomed the fact that the Greek authorities started providing the personalised services to the affected workers on 26 February 2016, ahead of the decision on the granting the EGF support for the proposed coordinated package.

It noted that the measures planned by Greece for the dismissed workers and for the NEETs comprise the following categories:

- occupational guidance;
- training, retraining and vocational training;
- contribution to business start-up;
- participation allowance and training allowance;
- mobility allowance.

The income-support 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 those actions are conditional on the active participation of the targeted beneficiaries in job-search or training activities. Parliament noted the rather high amount (EUR 15 000) to be received, as part of personalised services, by the workers or NEETs who will set up their own business.

NEET: Greece has decided to provide personalised services co-financed by the EGF also to 543 young persons not in employment, education or training (NEETs). Parliament noted that the request of the Greek authorities to include NEETs in these measures is due to the lack of jobs in

the region compared with the high number of job seekers, 73.5% of unemployed persons being unemployed for more than 12 months in Thessalia (Eurostat). It stressed that the importance of launching an information campaign in order to reach the NEETs who could be eligible under these measures. It recalled its position on the need to help the NEETs in a permanent and sustainable way.

Parliament recalled that in line with the EGF Regulation, the design of the coordinated package of personalised services should anticipate future labour market perspectives and required skills and should be compatible with the shift towards a resource-efficient and sustainable economy.

It recalled the need to improve the employability of all workers by means of adapted training and expects that the training offered in the coordinated package will meet both needs of the workers and the business environment. It also called on the Commission to provide more details in future proposals on the sectors having prospects to grow, and therefore to hire people.

Members noted that the Greek authorities confirm that the eligible actions do not receive assistance from other Union financial instruments.

Lastly, Parliament recalled its appeal to the Commission to assure public access to all the documents related to EGF cases.

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 respect of redundancies in the retail sector.

NON-LEGISLATIVE ACT: Decision (EU) 2016/990 of the European Parliament and of the Council on the mobilisation of the European Globalisation Adjustment Fund (application from Greece EGF/2015/011 GR/Supermarket Larissa).

CONTENT: with this Decision, the European Parliament and the Council decided to mobilise EUR 6 468 000 in commitments and payments under the European Globalisation Adjustment Fund in the framework of the 2016 budget.

This amount shall assist Greece in respect of redundancies in the retail sector.

On 26 November 2015, Greece submitted an application EGF/2015/011 GR/Supermarket Larissa for a financial contribution from the EGF, following redundancies in Supermarket Larissa ABEE in Greece.

Given that the application complies with the requirements for determining a financial contribution from the EGF as laid down in Article 13 of Regulation (EU) No 1309/2013 ([EGF Regulation 2014-2020](#)), the European Parliament and the Council decided to mobilise the amount requested.

To recall, the European Globalisation Adjustment Fund (EGF) 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](#).

Therefore, it has been decided to mobilise the EGF in order to provide the requested financial contribution in respect of the application submitted by Greece.

Greece has decided to provide personalised services co-financed by the EGF also to 543 young persons not in employment, education or training (NEETs).

ENTRY INTO FORCE: 21.06.2016. This Decision shall apply retroactively from 8 June 2016.