Procedure file

Basic information

BUD - Budgetary procedure	2017/2014(BUD)	Procedure completed
Mobilisation of the European Globalisation Adjustment Fund: redundancies in the retail sector in the Netherlands Subject 3.40.17 Manufactured goods 4.15.05 Industrial restructuring, job losses, redundancies, relocations, Globalisation Adjustment Fund (EGF) 8.70.57 2017 budget Geographical area Netherlands		

Key players

European Parliament	Committee responsible	Rapporteur	Appointed
	BUDG Budgets	ALI Nedzhmi Shadow rapporteur S&D NEGRESCU Victor	12/01/2017
	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
	Education, Youth, Culture and Sport	3518	17/02/2017

Key events

29/11/2016	Non-legislative basic document published	COM(2016)0742	Summary
01/02/2017	Committee referral announced in Parliament		
09/02/2017	Vote in committee		
10/02/2017	Budgetary report tabled for plenary	A8-0036/2017	Summary
14/02/2017	Results of vote in Parliament		
14/02/2017	Decision by Parliament	T8-0025/2017	Summary

17/02/2017	Draft budget approved by Council		
17/02/2017	End of procedure in Parliament		
25/03/2017	Final act published in Official Journal		

Technical information

Procedure reference	2017/2014(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/8/08933

Documentation gateway

Non-legislative basic document		COM(2016)0742	29/11/2016	EC	Summary
Committee draft report		PE597.463	17/01/2017	EP	
Amendments tabled in committee		PE597.723	01/02/2017	EP	
Budgetary report tabled for plenary, 1st reading		A8-0036/2017	10/02/2017	EP	Summary
Budgetary text adopted by Parliament		T8-0025/2017	14/02/2017	EP	Summary

Final act

Decision 2017/559
OJ L 080 25.03.2017, p. 0018 Summary

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

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

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

CONTENT: 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 to mobilise the EGF to assist the Netherlands and stated that:

The Netherlands: EGF/2016/005 NL/Drenthe Overijssel Retail: on 12 July 2016, the Netherlands submitted an application EGF/2016/005 NL/ Drenthe Overijssel Retail for a financial contribution from the EGF, following redundancies 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 NL13 - Drenthe and NL21 - Overijssel in the Netherlands.

The Netherlands submitted the application within 12 weeks of the date on which the intervention criteria 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 29 November 2016.

In order to establish the link between the redundancies and the global financial and economic crisis, the Netherlands argues that retail is a sector in crisis. The sector had to face fundamental changes and still has major difficulties in dealing with these changes. The difficulties had a substantial and negative influence on employment in the sector.

In the past few years, there were significant changes in consumption patterns, such as the decline of sales in the middle price category and the growing popularity of internet shopping. The development of new shopping areas in many Dutch cities outside the city centres and the declining trust of consumers in the economy also negatively affected the position of the conventional retail sector.

Furthermore, the weak financial position of the bigger department stores made it impossible to invest in other shop models in order to achieve

the necessary changes and to be competitive again.

To date, the retail sector has been the subject of 6 EGF applications.

Basis of the application from the Netherlands: the Netherlands submitted the application under the intervention criteria of Article 4(1)(b) of the EGF Regulation, which requires at least 500 workers being made redundant over a reference period of nine months in enterprises operating in the same economic sector defined at NACE Revision 2 Division and located in two contiguous regions defined at NUTS 2 level in a Member State.

There were 1 096 redundancies combined in the NUTS level 2 regions of NL13 Drenthe and NL21 Overijssel. The reference period of nine months for the application runs from 1 August 2015 to 1 May 2016.

All the criteria comply with the Regulation.

FINANCIAL CONTRIBUTION FROM THE EGF: having examined the application, it is proposed to mobilise the EGF for the amount of EUR 1 818 750, 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 above-mentioned.

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

The Committee on Budgets adopted a report by Nedzhmi ALI (ADLE, 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 provide the amount of EUR 1 818 750 in commitment and payment appropriations to assist the Netherlands faced with redundancies in its retail sector.

Members recalled that the Union has 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.

Application from the Netherlands: the Netherlands submitted application EGF/2016/005 NL/Drenthe Overijssel Retail for a financial contribution from the EGF, following redundancies in the economic sector classified under the NACE Revision 2 Division 47 (Retail trade, except of motor vehicles and motorcycles) mainly in the NUTS level 2 regions of Drenthe (NL13) and Overijssel (NL21). 800 out of 1 096 redundant workers eligible for the EGF contribution are expected to participate in the measures.

Members stated that the application was submitted under the intervention criteria of point (b) of Article 4(1) of the EGF Regulation, which requires at least 500 workers being made redundant over a reference period of nine months in an enterprise operating in the same economic sector defined at NACE Revision 2 Division and located in two contiguous regions defined at NUTS 2 level in a Member State.

Nature of the redundancies: Members stated that many redundancies were noted in the Dutch retail sector in the past few months with the main department stores of the sector suffering from bankruptcies, which triggered a total number of 27 0522 redundancies in the period 2011-2015. They noted with regret that the volume of goods sold in the retail sector followed this pattern moving from -2 % in 2011 to -4 % in 2013.

Members emphasised that the retail sector accounts for a considerable share of employment (17-19 %) in the NUTS 2 level regions Drenthe and Overijssel. They noted that 5 200 retail shops have gone bankrupt since the start of the crisis with the largest department stores being affected only recently. In this regard, they regretted that younger workers are the most affected with 67.1 % of the targeted beneficiaries being below 30 years old.

A package of personalised services: Members noted that the application does not include any allowances or incentives referred to in point (b) of Article 7(1) of the EGF Regulation.

They noted that the EGF co-funded personalised services for the redundant workers include:

- assessments of participants capabilities, potentials and job perspectives;
- job search assistance and case management;
- a flexible mobility pool for job seekers and employers with temporary jobs;
- outplacement assistance;
- training and retraining including entrepreneurship promotion training, coaching and grants.

Members noted that the Dutch authorities have provided assurances that the proposed actions will not receive financial support from other Union funds or financial instruments, that any double financing will be prevented, that they will be complementary with actions funded by the Structural Funds and that the requirements in national and Union legislation concerning collective redundancies will be complied with.

Members recalled the importance of improving the employability of all workers by means of adapted training and the recognition of skills and competences gained throughout a worker's professional career.

Lastly, they reiterated that assistance from the EGF must not replace actions which are the responsibility of companies by virtue of national law or collective agreements nor of measures for restructuring companies or sectors.

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

The European Parliament adopted by 616 votes to 73, with 6 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 provide the amount of EUR 1 818 750 in commitment and payment appropriations to assist the Netherlands faced with redundancies in its retail sector.

Parliament recalled that the Union has 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.

Application from the Netherlands: the Netherlands submitted application EGF/2016/005 NL/Drenthe Overijssel Retail for a financial contribution from the EGF, following redundancies in the economic sector classified under the NACE Revision 2 Division 47 (Retail trade, except of motor vehicles and motorcycles) mainly in the NUTS level 2 regions of Drenthe (NL13) and Overijssel (NL21). 800 out of 1 096 redundant workers eligible for the EGF contribution are expected to participate in the measures.

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- assessments of participants capabilities, potentials and job perspectives;
- job search assistance and case management;
- a flexible mobility pool for job seekers and employers with temporary jobs;
- outplacement assistance;
- training and retraining including entrepreneurship promotion training, coaching and grants.

Parliament welcomed the decision to limit the costs of technical assistance to 4 % of the total costs, leaving 96 % to be used for the package of personalised services.

Members noted that the Dutch authorities have provided assurances that the proposed actions will not receive financial support from other Union funds or financial instruments, that any double financing will be prevented, that they will be complementary with actions funded by the Structural Funds and that the requirements in national and Union legislation concerning collective redundancies will be complied with.

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Lastly, it reiterated that assistance from the EGF must not replace actions which are the responsibility of companies by virtue of national law or collective agreements nor of measures for restructuring companies or sectors.

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

PURPOSE: to mobilise EUR 1 818 750 from the European Globalisation Adjustment Fund (EGF) to assist the Netherlands faced with redundancies in its retail sector.

NON-LEGISLATIVE ACT: Decision (EU) 2017/559 of the European Parliament and of the Council on the mobilisation of the European Globalisation Adjustment Fund following an application from the Netherlands EGF/2016/005 NL/Drenthe Overijssel Retail.

CONTENT: with this Decision, the European Parliament and the Council mobilised EUR 1 818 750 in commitment and payment appropriations from the European Global Adjustment Fund under the 2017 budget.

The amount obtained from the EGF is in response to the application from the Netherlands in respect of redundancies in 6 enterprises operating in the retail trade sector in 2 regions (Drenthe and Overijssel).

That application complies with the requirements for determining a financial contribution from the EGF as laid down in Regulation (EU) No 1309/2013.

Therefore, Parliament and the Council decided to give a favourable opinion by granting the abovementioned amount.

As a reminder, 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 Article 12 of Council Regulation (EU, Euratom) No 1311/2013.

ENTRY INTO FORCE: the Decision shall enter into force on 25.3.2017. It shall apply from 15.3.2017.