


Procedure file

Basic information	
BUD - Budgetary procedure	2017/2098(BUD)
Mobilisation of the European Globalisation Adjustment Fund: redundancies in the ICT sector in Finland	
Subject 3.40.06 Electronics, electrotechnical industries, ICT, robotics 4.15.05 Industrial restructuring, job losses, redundancies, relocations, Globalisation Adjustment Fund (EGF) 8.70.57 2017 budget	
Geographical area Finland	
Procedure completed	

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	BUDG Budgets		26/06/2017
	Committee for opinion	PPE SARVAMAA Petri	Appointed
	EMPL Employment and Social Affairs	Rapporteur for opinion	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	3556	17/07/2017
European Commission	Commission DG	Commissioner	
	Employment, Social Affairs and Inclusion	THYSSEN Marianne	

Key events			
21/06/2017	Non-legislative basic document published	COM(2017)0322	Summary
03/07/2017	Committee referral announced in Parliament, 1st reading/single reading		
17/07/2017	Draft budget approved by Council		
30/08/2017	Vote in committee, 1st reading/single reading		
01/09/2017	Budgetary report tabled for plenary, 1st reading	A8-0278/2017	Summary
13/09/2017	Results of vote in Parliament		
13/09/2017	Decision by Parliament, 1st reading/single reading	T8-0337/2017	Summary
23/09/2017	Final act published in Official Journal		

Technical information	
Procedure reference	2017/2098(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/8/10272

Documentation gateway

Non-legislative basic document	COM(2017)0322	21/06/2017	EC	Summary
Committee draft report	PE606.282	26/06/2017	EP	
Amendments tabled in committee	PE608.085	13/07/2017	EP	
Budgetary report tabled for plenary, 1st reading	A8-0278/2017	01/09/2017	EP	Summary
Budgetary text adopted by Parliament	T8-0337/2017	13/09/2017	EP	Summary

Final act

[Decision 2017/1600](#)
[OJ L 245 23.09.2017, p. 0005](#) Summary

2017/2098(BUD) - 21/06/2017 Non-legislative basic document

PURPOSE: to mobilise the European Globalisation Adjustment Fund (EGF) to assist Finland in respect of redundancies in the mobile phone sector using Microsoft technology.

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](#).

Against this background, the Commission examined the application to mobilise the EGF to assist Finland and made the following comments:

Finland: EGF/2017/002 FI/Microsoft 2: on 1 February 2017, Finland submitted application EGF/2017/002 FI/Microsoft 2 for a financial contribution from the EGF following redundancies at Microsoft (Microsoft Mobile Oy) and 11 suppliers and downstream producers.

Finland submitted its application within the 12-week period laid down in the Regulation. The deadline by which the Commission should finalise its assessment of the application's compliance with the conditions for providing a financial contribution will expire on 21 June 2017.

In order to establish the link between the redundancies and major structural changes in world trade patterns due to globalisation, Finland argues that the main reason behind the workforce reductions is the worldwide competition in the mobile phone sector and the consequent loss of market share by Microsoft Mobile Oy (and its Windows based operating system).

After the acquisition of the mobile phone business of Nokia by Microsoft (US), Microsoft Mobile Oy was established in 2014, with its headquarters in Espoo, Finland. Approximately 4 700 Nokia employees were transferred to Microsoft Mobile Oy in Finland.

However, Microsoft's Windows operating system has seen its market share collapse, accounting for only 0.8 % in 2016, while Android and iOS (Apple) operating systems market share will increase by up to 82.2 % and 14.6 % respectively in 2016. In addition, the competitors offer cheaper hardware and operating system products, which are very attractive to new customers in the emerging markets and also in Europe.

In May 2016, Microsoft announced the reduction of up to 1 350 jobs at Microsoft Mobile Oy in Finland. 550 employees lost their job in the Helsinki-Uusimaa region, 500 in the Pirkanmaa area (Länsi-Suomi region) and 300 in Salo (Etelä-Suomi region).

Basis of the Finnish application: Finland 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.

The reference period runs from 12 July 2016 to 12 November 2016.

The total number of eligible beneficiaries is 1 248.

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 3 520 080, 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 amount requested.

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.

2017/2098(BUD) - 01/09/2017 Budgetary report tabled for plenary, 1st reading

The Committee on Budgets adopted the report by Petri SARVAMAA (EPP, FI) on the proposal for a decision of the European Parliament and of the Council on the mobilisation of the European Globalisation to provide the sum of EUR 3 520 080 in commitment and payment appropriations to assist Finland in respect of redundancies in the mobile phone sector using Microsoft technology.

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.

Finnish application: Finland submitted application EGF/2017/002 FI/Microsoft 2 for a financial contribution from the EGF under the intervention criteria of point (a) of Article 4(1) of the EGF Regulation following 1 248 redundancies in Microsoft Mobile Oy and 11 suppliers and downstream producers in Finland operating in the economic sector classified under the NACE Revision 2 Division 62 (Computer programming, consultancy and other activities).

Members agreed that the conditions set out in point (a) of Article 4(1) of the EGF Regulation are met and that Finland is entitled to a financial contribution of EUR 3 520 080.

Nature of redundancies: the main reason for the redundancies at Microsoft Mobile Oy is the worldwide competition in the mobile phone sector and the consequent loss of market share by Microsoft Mobile Oy and its Windows based operating system. They are also linked to the shift of manufacturing of mobile devices to lower wage countries.

The affected regions of Helsinki-Uusimaa, Länsi-Suomi and Etelä-Suomi have already experienced extensive redundancies by firms in the electronics and software sectors and that Länsi-Suomi and Etelä-Suomi have high regional unemployment rates. 1 000 out of 1 248 redundant workers eligible for the EGF contribution are expected to participate in the measures. 92.5% of the targeted beneficiaries are 30-54 years old who for the most part are highly educated.

Package of personalised services: given that unemployment rates of highly educated people have increased considerably in all three regions, Members welcomed that Finland is planning six types of measures:

- coaching measures and other preparatory measures;
- employment and business services;
- training;
- start-up grants;
- pay subsidy;
- allowances for travel and accommodation.

The report noted that the income support measures correspond to 26.74 % of the overall package of personalised measures, below the maximum 35 % set out in the EGF Regulation.

In addition, Members noted that the Finnish 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 and that they will be complementary with actions funded by the Structural Funds.

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 measures for restructuring companies or sectors.

2017/2098(BUD) - 13/09/2017 Final act

PURPOSE: to mobilise the European Globalisation Adjustment Fund (EGF) to assist Finland in respect of redundancies in the mobile phone sector using Microsoft technology.

NON-LEGISLATIVE ACT: Decision (EU) 2017/1600 of the European Parliament and of the Council on the mobilisation of the European Globalisation Adjustment Fund following an application from Finland EGF/2017/002 FI/Microsoft 2.

CONTENT: with the present decision, the European Parliament and the Council decided to mobilise EUR 3 520 080 in commitment and payment appropriations from the European Globalisation Adjustment Fund (EGF) within the framework of the budget 2017.

As a reminder, the request to obtain financial assistance from the EGF was submitted by Finland on 1 February 2017 following redundancies in Microsoft Oy (Microsoft Mobile Oy) and 11 suppliers and downstream producers and cessations of activities.

In accordance with [Regulation \(EU\) No 1309/2013](#) of the European Parliament and of the Council on the EGF for the period 2014-2020, this application complies with the requirements for determining a financial contribution from the EGF.

The 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. It has a

maximum annual budget of EUR 150 million for the period 2014-2020.

ENTRY INTO FORCE: 23.9.2017. In order to minimise the time taken to mobilise the EGF, this decision should apply from the date of its adoption (13.9.2017).

2017/2098(BUD) - 13/09/2017 Budgetary text adopted by Parliament

The European Parliament adopted by 600 votes to 83, with 9 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 (application submitted by Finland - EGF/2017/002 FI/Microsoft 2).

Parliament approved the proposal for a decision to mobilise the EGF to grant a financial contribution of EUR 3 520 080 to assist Finland faced with redundancies in the mobile phone sector using Microsoft technology.

As a reminder, the request to obtain financial assistance from the EGF was submitted by Finland on 1 February 2017 following 1 248 redundancies in Microsoft Mobile Oy and 11 downstream suppliers and producers in Finland operating in the economic sector of computer programming, consultancy and other activities.

Reason for redundancies: the main reason for the redundancies at Microsoft Mobile Oy is the worldwide competition in the mobile phone sector and the consequent loss of market share by Microsoft Mobile Oy and its Windows-based operating systems. The redundancies are linked to the shift of manufacturing of mobile devices to lower wage countries. The winners in the smartphone manufacture competition have been the US and Asia-based manufacturers using Android or iOS operating system.

The affected regions of Helsinki-Uusimaa, Länsi-Suomi and EteläSuomi have already experienced extensive redundancies by firms in the electronics and software sectors and that Länsi-Suomi and Etelä-Suomi have high regional unemployment rates (14.6 % and 17.5 % of the labour force respectively).

Measures envisaged: the six types of measures envisaged by Finland are: (i) coaching measures and other preparatory measures, (ii) employment and business services, (iii) training, (iv) start-up grants, (v) pay subsidy, and (vi) allowances for travel and accommodation.

Income support measures correspond to 26.74 % of the overall package of personalised measures, below the maximum 35 % set out in the EGF Regulation.

The resolution welcomed the fact that the Finnish authorities started providing the personalised services to the targeted beneficiaries on 12 July 2016, well ahead of the application for the EGF support for the proposed coordinated package.

Members welcomed the use of the EURES network service to pass foreign job advertisements to Finnish jobseekers.

Beneficiaries: Parliament noted that of the 1 248 dismissed workers eligible for a contribution from the Fund, 1 000 are expected to participate in the measures. 92.5 % of targeted beneficiaries are 30-54 years old and that many of the redundant workers are highly educated.

Overall, Parliament stressed 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. It also recalled that the design of the coordinated package of personalised services supported by the EGF should anticipate future labour market perspectives and required skills and should be compatible with the shift towards a resource-efficient and sustainable economy.