

Procedure file

Basic information		
BUD - Budgetary procedure	2018/2025(BUD)	Procedure completed
Mobilisation of the European Globalisation Adjustment Fund: redundancies in the automotive sector in Germany		
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) 8.70.58 2018 budget		
Geographical area Germany FR		

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	BUDG Budgets		30/01/2018
		 GRÄSSLE Ingeborg	
	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
	Competitiveness (Internal Market, Industry, Research and Space)	3604	12/03/2018
European Commission	Commission DG	Commissioner	
	Employment, Social Affairs and Inclusion	THYSSEN Marianne	

Key events			
09/02/2018	Non-legislative basic document published	COM(2018)0061	Summary
28/02/2018	Committee referral announced in Parliament, 1st reading/single reading		
08/03/2018	Vote in committee, 1st reading/single reading		
08/03/2018	Budgetary report tabled for plenary, 1st reading	A8-0061/2018	Summary
12/03/2018	Draft budget approved by Council		
14/03/2018	Results of vote in Parliament		
14/03/2018	Decision by Parliament, 1st reading/single reading	T8-0074/2018	Summary
28/03/2018	Final act published in Official Journal		

Technical information	
Procedure reference	2018/2025(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/8/12168

Documentation gateway					
Non-legislative basic document		COM(2018)0061	09/02/2018	EC	Summary
Committee draft report		PE618.124	20/02/2018	EP	
Amendments tabled in committee		PE618.286	27/02/2018	EP	
Budgetary report tabled for plenary, 1st reading		A8-0061/2018	08/03/2018	EP	Summary
Budgetary text adopted by Parliament		T8-0074/2018	14/03/2018	EP	Summary

Final act	
Decision 2018/513 OJ L 084 28.03.2018, p. 0016	Summary

Mobilisation of the European Globalisation Adjustment Fund: redundancies in the automotive sector in Germany

PURPOSE: to mobilise the European Globalisation Adjustment Fund (EGF) to assist Germany faced with redundancies in the automotive 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 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 considered the request to mobilise the EGF to assist Germany and stated the following:

Germany - Application EGF/2017/008 DE/Goodyear: on 6 October 2017, Germany submitted the application for a financial contribution from the EGF following 646 redundancies at Goodyear Dunlop Tires Germany GmbH in Germany (manufacturing of rubber and plastic products).

In order to establish the link between the redundancies and major structural changes in world trade patterns due to globalisation, Germany argued that globalisation has had a negative impact on B-segment car tyre production (encompassing rim sizes ranging from 13 to 16 inches, usually used for small or mid-size vehicles) in the EU. This is due to the fact that Asian suppliers gained significant market shares in the recent years.

The global market share of motor vehicles manufactured in Europe shrunk from 35 % in 2001 to 23 % in 2016. China's global market share rose over the same period from 5 % to 30 %. Car production in Asia saw a 45 % increase over the past ten years.

From 2015 to 2016, imports into the EU increased by 22 %, while exports decreased by 3 %.

The global tyre market has also changed markedly since the turn of the millennium. While the three big global players Bridgestone, Michelin and Goodyear accounted for 57 % of global tyre production in 2000, their significance had diminished worldwide by 2013, to 38 %.

In 2015, in the EU, tyre imports (130 million tyres) far outstripped exports (74 million).

A study revealed that while 77 % of tyres sold in Germany in 2005 belonged to the B tyre segment, such tyre sizes accounted for just 43 % of sales in Germany in 2014, reflecting the shift of production of smaller vehicles to the growth markets of Asia and South America.

The event giving rise to these redundancies is the complete shutdown of Goodyear's production plant in Philippsburg. As EU automotive output and market shares have fallen in the wake of globalisation, significant overcapacity has built up in the B segment at Goodyear. This is why Goodyear decided to close the plant in Philippsburg, which has the largest production capacity for tyres in the B segment among Goodyear's European plants.

Basis of the German request: Germany 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.

The reference period for the application runs from 14 July 2017 to 5 October 2017.

The application relates to 646 workers made redundant in Goodyear Dunlop Tires Germany GmbH, the majority of workers aged between 30 and 54. The redundancies are expected to have a significant adverse effect on the local economy.

Germany is considering six types of actions in favour of the dismissed employees that are the subject of the application: (i) upskilling measures; (ii) peer groups/workshops; (iii) business start-up advice; (iv) research; (v) follow-up mentoring; (vi) training allowance.

BUDGETARY IMPLICATION: 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. It proposed to mobilise the EGF for the amount of EUR 2 165 231, 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.

Mobilisation of the European Globalisation Adjustment Fund: redundancies in the automotive sector in Germany

The Committee on Budgets adopted the report by Ingeborg GRÄSSLE (EPP, DE) on the proposal for a decision of the European Parliament and of the Council on the mobilisation of the European Globalisation Adjustment Fund, amounting to EUR 2 165 231 in commitment and payment appropriations, to assist Germany facing redundancies in the automotive sector.

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.

German application: Germany submitted application EGF/2017/008 DE/Goodyear for a financial contribution from the EGF, following 646 redundancies at Goodyear Dunlop Tires Germany GmbH in the manufacture of rubber and plastic products in the Regierungsbezirk of Karlsruhe, Germany.

Given that the redundancies are expected to have a significant adverse effect on the local economy, Members considered that the conditions set out in Article 4(1) of the EGF Regulation are met and that Germany is entitled to a financial contribution of EUR 2 165 231, which represents 60 % of the total cost of EUR 3 608 719.

Reasons for the dismissals: Germany argued that the redundancies are linked to major structural changes in world trade patterns due to globalisation and its negative impact on B-segment car tyre production in the European Union.

Members are aware of the fall in Union automotive output and market shares in the wake of globalisation. As a result, significant overcapacity has built up in the B tyre segment at Goodyear, forcing the company to close one of its European plants, which was the largest employer in the region.

Package of personalised services: Members stated that Germany is considering six types of actions in favour of the dismissed employees:

- upskilling measures;
- peer groups/workshops;
- business start-up advice;
- research;
- follow-up mentoring;
- training allowance.

The report noted that the income support measures will account for the maximum 35% of the overall package of personalised measures and that those actions are conditional on the active participation of the targeted beneficiaries in job-search or training activities. It pointed also to the fact that a significant percentage of the redundant workers are between 55 and 64 years old with skills specific to the manufacturing sector and that around 300 of the redundant workers are unskilled and have a migratory background and are without a formal qualification.

Members welcomed that the proposed actions will be complementary with actions funded by the Structural Funds and that the financial contribution from the EGF will not replace actions the enterprise concerned is required to take by virtue of national law or pursuant to collective agreements.

They also welcomed the decision of the public employment service to take into account both future labour market needs and the qualifications of the workers concerned when designing a qualification and skills strategy.

Mobilisation of the European Globalisation Adjustment Fund: redundancies in the automotive sector in Germany

The European Parliament adopted by 607 votes to 86, with 8 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 (request submitted by Germany - EGF/2017/008 DE/Goodyear).

Parliament approved the proposal for a decision to mobilise the EGF to provide a financial contribution of EUR 2 165 231 in commitment and payment appropriations to assist Germany facing redundancies in the automotive sector.

As a reminder, the request for financial support from the EGF was submitted by Germany on 6 October 2017 following 646 redundancies at Goodyear Dunlop Tires Germany GmbH in the manufacture of rubber and plastic products in the Regierungsbezirk of Karlsruhe, Germany.

Parliament noted the following points:

Reasons for the dismissals: Germany argued that the redundancies are linked to major structural changes in world trade patterns due to globalisation and its negative impact on B-segment car tyre production in the European Union.

Members are aware of the fall in Union automotive output and market shares in the wake of globalisation. As a result, significant overcapacity has built up in the B tyre segment at Goodyear, forcing the company to close one of its European plants, which was the largest employer in the region.

The redundancies that occurred in Goodyear are expected to have a significant adverse effect on the local economy, and that the impact of the layoffs is linked to the difficulties of redeployment due to the scarcity of jobs, to the low educational background of the dismissed workers, to their specific vocational skills developed in a sector now in decline, and to the high number of job seekers.

Package of personalised services: six types of actions in favour of the dismissed employees are proposed: (i) upskilling measures; (ii) peer groups/workshops; (iii) business start-up advice; (iv) research; (v) follow-up mentoring; (vi) training allowance.

Parliament noted that the income support measures will account for the maximum 35% of the overall package of personalised measures and that those actions are conditional on the active participation of the targeted beneficiaries in job-search or training activities.

Beneficiaries: the resolution stressed that a significant percentage of the redundant workers are between 55 and 64 years old with skills specific to the manufacturing sector. Around 300 of the redundant workers are unskilled and have a migratory background and are without a formal qualification. It also emphasised that the Waghäusel region, where the Philippsburg plant is located, is facing structural changes which makes active labour market measures necessary to improve the chances of reintegration in the labour market of these groups.

Overall, Parliament welcomed the decision of the public employment service to take into account both future labour market needs and the qualifications of the workers concerned when designing a qualification and skills strategy.

The resolution also welcomed Germany's assurance that:

- the measures organised are in line with Germany's sustainability strategy, and that the body setting up the two transfer companies holds a sustainability certification;
- the proposed actions will not receive financial support from other Union funds or financial instruments;
- a financial contribution from the EGF will not replace actions the enterprise concerned is required to take by virtue of national law or pursuant to collective agreements, or measures for restructuring companies or sectors.

Lastly, Parliament called on the Commission to: (i) urge national authorities to provide more details, in future proposals, on the sectors which have growth prospects and are therefore likely to hire people; (ii) gather substantiated data on the impact of the EGF funding, including on the quality of new jobs and the reintegration rate achieved through the EGF.

Mobilisation of the European Globalisation Adjustment Fund: redundancies in the automotive sector in Germany

PURPOSE: to mobilise the European Globalisation Adjustment Fund (EGF) to assist Germany facing redundancies in the manufacturing sector.

NON-LEGISLATIVE ACT: Decision (EU) 2018/513 of the European Parliament and of the Council on the mobilisation of the European Globalisation Adjustment Fund following an application from Germany EGF/2017/008 DE/Goodyear.

CONTENT: with this Decision, the European Parliament and the Council mobilised the sum of EUR 2 165 231 in commitment and payment appropriations from the European Globalisation Adjustment Fund (EGF).

This amount is granted in response to Germany's application for EGF mobilisation in respect of 646 redundancies in the rubber and plastic products manufacturing sector (Goodyear Dunlop Tires Germany GmbH) in Germany. The redundancies are the result of a continuation of major structural changes in world trade patterns due to globalisation.

This application fulfils the conditions for a financial contribution from the EGF in accordance with [Regulation \(EU\) No 1309/2013](#). As a reminder, 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. The EGF is not to exceed a maximum annual amount of EUR 150 million for the period 2014-2020.

ENTRY INTO FORCE: 28.3. 2018. The decision applies from the date of its adoption, i.e. 14.3.2018.