

Mobilisation of the European Globalisation Adjustment Fund: redundancies in the clothing sector in Spain

2018/2014(BUD) - 01/03/2018 - Budgetary text adopted by Parliament

The European Parliament adopted by 550 votes to 76, 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 following a request submitted by Spain - EGF/2017/006 ES/Galicia apparel.

Parliament approved the proposal for a decision to mobilise the EGF to provide a financial contribution of EUR 720 000 to assist Spain facing lay-offs in five companies active in the wearing apparel sector in the Galicia region of Spain.

As a reminder, the request for financial assistance from the EGF was submitted by Spain on 19 July 2017 following 303 redundancies in the wearing apparel industry in the Galicia region.

Parliament noted the following points:

Reasons for the redundancies: Spain argued that the redundancies are linked to major structural changes in world trade patterns due to globalisation, more particularly to the liberalisation of trade in textiles and clothing.

The increase in imports into the Union has put a downward pressure on prices, which has had a negative effect on the financial position of enterprises in the Union textiles sector and has triggered a general trend in the textile and clothing industry to off-shore production in lower cost countries outside the Union.

The redundancies that occurred in five enterprises are expected to put an enormous strain on the territory affected. Ordes, the region affected by the redundancies, is highly dependent on the clothing industry and has seen a sharp decline in the number of clothing enterprises in recent years.

Package of personalised services: six types for the redundant workers covered by this application are as follows: (i) welcome sessions and preparatory workshops; (ii) occupational guidance; (iii) training; (iv) intensive job search assistance; (v) tutoring after reintegration into work; (vi) incentives.

The income support measures will constitute 18.21 % of the overall package of personalised measures, well below the maximum of 35 % set out in the EGF Regulation.

Beneficiaries: Parliament underlined that 83.5 % of the targeted beneficiaries are women and that the large majority of them are between 30 and 54 years old. However, it regretted that this application does not include any measures for young people who are not in education, employment or training.

In general, Parliament recalled that the coordinated package shows great potential to facilitate a shift towards a resource-efficient and sustainable economy. It welcomed Spains declaration in this regard.

The resolution also welcomed Spain's confirmation that: (i) the eligible actions do not receive assistance from other Union funds or financial instruments; (ii) the financial contribution of the Fund will not replace actions the enterprises concerned are required to take by virtue of national law or pursuant to collective agreements, or measures for restructuring companies or sectors.

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