

Mobilisation of the European Globalisation Adjustment Fund – Shipbuilding ancillary sectors in Spain

The European Commission has proposed to mobilise €2 054 400 under the European Globalisation Adjustment Fund (EGF) to address redundancies in the ancillary sectors linked to shipbuilding in Galicia (Spain), resulting from the financial difficulties of two shipyards in the region. The European Parliament's Committee on Budgets backs the proposal and reiterates that assistance from the EGF must not replace actions which are the responsibility of companies, by virtue of national law or collective agreements. Parliament is expected to vote on this proposal during the October II plenary session.

Background

The [European Globalisation Adjustment Fund](#) (EGF) was established in 2006 to support 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 or a global financial and economic crisis, and to assist them with their reintegration into the labour market. The EGF is placed outside the ceilings of the multiannual financial framework (MFF) and can be mobilised on an ad hoc basis. Thus, the EGF can also be mobilised in cases related to the [global crisis](#) caused by coronavirus.

European Commission proposal

Following the assessment of an application of the Spanish authorities for a financial contribution from the EGF regarding the shipbuilding ancillary sector in Galicia, the Commission concluded that the conditions for awarding such a contribution have been met. On 11 September 2020, the Commission adopted a [proposal](#) for a decision of the European Parliament and of the Council on the mobilisation of the EGF for the amount of €2 054 400, which is 60 % of the total costs of the proposed actions, complementary to national funds. The actions target 960 beneficiaries following redundancies in 38 small and medium-sized enterprises (SMEs) located in Galicia, with a serious impact on the local economy, which already suffered from high unemployment before the coronavirus crisis. The financial contribution from the EGF aims to provide assistance for re-integrating the affected persons into the labour market. In order to minimise the time taken to mobilise the EGF, the Commission proposes that the mobilisation of the EGF should apply from the date of its adoption.

The proposal for a decision on the mobilisation of the EGF is accompanied by a [proposal for a transfer](#) of €2 054 400 from the EGF reserve to the EGF budget line.

European Parliament position

On 12 October 2020, the Committee on Budgets (BUDG) adopted its report on the proposal. It agrees with the proposed mobilisation of the EGF and recalls that the EGF could be mobilised to support permanently dismissed workers and the self-employed in the context of the global crisis caused by coronavirus. It welcomes the reskilling and up-skilling measures provided by this EGF support to make the regional shipbuilding sector, and the overall labour market, more resilient and competitive in the future. BUDG also approved the transfer proposal for the mobilisation of the Fund.

Budgetary procedure: [2020/1996\(BUD\)](#); Committee responsible: BUDG; Rapporteur: Valérie Hayer (Renew Europe, France).

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