



---

*Committee on Employment and Social Affairs  
The Chairwoman*

---

EK/nt  
D(2013)42275

M. Alain Lamassoure  
President of the Committee on budgets  
ASP 13E158

**Subject: Opinion on the mobilisation of the European Globalisation Adjustment Fund (EGF) for the case EGF/2012/008 IT/De Tomaso Automobili from Italy (COM(2013)0469 final)**

Dear Chair,

The Committee on Employment and Social Affairs (EMPL) as well as its Working Group on the EGF examined the mobilisation of the EGF for the case **EGF/2012/008 IT/De Tomaso Automobili** and adopted the following opinion.

The EMPL committee and the Working Group on the EGF are in favour of the mobilisation of the Fund concerning this request. In this respect, the EMPL committee presents some remarks without, however, putting into question the transfer of the payments.

The deliberations of the EMPL committee are based on the following considerations:

- A) Whereas this application is based on Article 2 (a) of the EGF regulation and targets for support 1010 workers of the total of 1030 workers dismissed within the reference period between 5 July 2012 and 28 August 2012 in one enterprise De Tomaso Automobili S.p.A;
- B) Whereas the Italian authorities argue that the redundancies were caused by major structural changes in world trade patterns due to globalisation which impacted European car industry and equally Italian producers;
- C) Whereas the Italian authorities show that EU market share in motor vehicle production decreased between 2004 and 2010 and the production of passenger cars in absolute terms, increased by 6,7% in the EU-27 while worldwide market grew by 32,2% showing strong growth on Asian markets, where European producers are disadvantaged;
- D) Whereas the Italian authorities claim that weak growth in demand for luxury cars and the tightening of credit caused by the economic and financial crisis led to the bankruptcy of De Tomaso Automobili;

- E) Whereas 88,12 % of the workers targeted by the measures are men and 11,88 % are women; whereas 88,91% of the workers are between 24 and 54 years old and 11,09% of workers are older than 55 years;
- F) Whereas 93,37% of the dismissed workers are plant and machine operators and assemblers;

Therefore, the Committee on Employment and Social Affairs calls on the Committee on Budgets, as the committee responsible, to integrate the following suggestions in its motion for a resolution concerning the Italian application:

1. Agrees with the Commission that the conditions set out in Article 2 (a) of the EGF regulation (1927/2006) are met and that, therefore, Italy is entitled to a financial contribution under this regulation;
2. Notes that the Italian authorities submitted the application for EGF financial contribution on 5 November 2012 and that its assessment was made available by the European Commission on 28 June 2013; welcomes the relatively speedy evaluation period of 7 months;
3. Stresses that the Commission has already recognised the impact of the economic and financial crisis on the automotive sector and that this sector had the largest number of applications (16) for EGF support;
4. Welcomes the fact that, in order to provide workers with speedy assistance, the Italian authorities decided to initiate the implementation of the personalised measures on 15 January 2013, well ahead of the final decision on granting the EGF support for the proposed coordinated package;
5. Calls on the Italian authorities to use the EGF support to its full potential and encourage the maximum number of workers to participate in the measures, recalls that early EGF interventions in Italy suffered from relatively low rate of budget implementation mainly due to low participation rates;
6. Notes that the dismissals were covered by the wage compensation fund (CIG), Italian social safety net, which provided financial benefits to workers in compensation of salary payments; notes that the Italian authorities have requested EGF support to finance subsistence allowances, however, of additional value to usual welfare payments available under Italian labour law for unemployed;
7. Recalls that the EGF should in the future be primarily allocated to training and job search as well as occupational orientation programs, and its financial contribution to allowances should always be of additional nature and in parallel to what is available to dismissed workers by virtue of national law or collective agreements; recalls in this context the conclusion of the Court of Auditors in the Special Report No 7/2013 on EGF that "One third of EGF funding compensates national workers' income support schemes, with no EU added value" and the recommendation that such measures should be limited in the future;

8. Welcomes the fact that the social partners were consulted on the design of the package and the a steering committee will monitor the implementation of the package;
9. Calls on the Member States to include in future applications the following information concerning the training measures to be supported by EGF: types of training provided, in which sectors and if the offer matches the anticipated skills needs in the region/locality and if is aligned with future economic prospects of the region.

Yours sincerely,

Pervenche Berès