



EUROPEAN PARLIAMENT

2009 - 2014

*Committee on Employment and Social Affairs
The Chairwoman*

EK/nt
D(2013)53015

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/2013/003 DE/First Solar from Germany (COM(2013)706 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/2013/003 DE/First Solar from Germany** from Germany 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 875 workers of 1244 workers made redundant in First Solar Manufacturing GmbH during and after or before the reference period between 15 November 2012 and 15 March 2013;
- B) Whereas the German authorities argue that the redundancies were caused by major structural changes in world trade patterns due to globalisation which caused rapid declines in prices by about 40% in 2011 making the production of solar panels not viable in the First Solar sites located in Germany;
- C) Whereas the German authorities claim that the global market of solar panels has been dominated by Chinese producers, who built up huge overcapacities in solar

Secretariat - Address: 2, rue d'Ardenne, B-1047 Brussels
Telephone +32 2 28 44550 - Fax +32 2 28 49072 - Email: ip-empl@europarl.europa.eu

modules; whereas this coupled with global decline in demand leading to decline in prices

- D) Whereas the German authorities further argue that Chinese producers are able to export 80% of their production to the EU as a result of locally available financial support and the Chinese 5-year plan;
- E) Whereas 76,20 % of the workers targeted by the measures are men and 23,80 % are women; whereas 82,60 % of the dismissed are workers between 25 and 54 years old; whereas 13,30% of the targeted workers are older than 55 years;
- F) Whereas 56,20% of the redundant workers are plant and machine operators and assemblers, 23% are technicians and associate professions and further 10,40% are senior official and managers;

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 German 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, Germany is entitled to a financial contribution under this regulation;
2. Notes that the German authorities submitted the application for EGF financial contribution on 12 April 2013 and that its assessment was made available by the European Commission on 16 October 2013; welcomes the speedy evaluation period;
3. Notes that the concerned redundancies are part of a broad restructuring plan which cut First Solar's global work force by 30% to sharply reduce its global production capacity and resulted in closing both sites located in Germany; stresses the added value of EGF to react to redundancies caused by unexpected market changes linked to globalisation;
4. Welcomes the fact that social partners adopted a social plan for the redundancies in First Solar and that a transfer company will design and manage the coordinated package of personalised services; notes that its operation during the first six months is paid by First Solar and ESF via its Federal programme and that the services of the transfer company will be extended to new measures financed by EGF;
5. Welcomes the fact that the implementation of the coordinated package of personalised services started well ahead of the decision to grant EGF support by the budgetary authority; notes that redundant workers have also benefitted from the ESF support before participating in the EGF measures; welcomes the fact that the German authorities confirmed that necessary precautions have been taken to avoid double financing from EU funds;
6. Notes that more than half of the EGF support will be spent on allowances - 875 workers are said to receive during their active participation in the measures a subsistence allowance (estimated cost EUR 2 714 per worker over 9 months); further notes that the application includes a lump sum of EUR 1 869 activation premium for 200 workers who quickly find job without further assistance after the conclusion of the measures;
7. Recalls that that the EGF support should primarily be allocated to job search and training programs instead of contributing directly to financial allowances; if included in the package they should be of complementary nature and never replace allowances under the responsibility of Member States or companies by

virtue of national law or collective agreements; stresses in this context that the new EGF regulation for 2014-2020 will limit the inclusion of financial allowances in the package to a maximum of 35% of the cost of the measures and that accordingly the rate of allowances within the coordinated package for this demand will not repeat under this new regulation;

Yours sincerely,

Pervenche Berès