



*Committee on Employment and Social Affairs  
The Chairwoman*

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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/2011/008 DK/Odense Steel Shipyard 2 (COM(2012)0272)**

Dear Mr Lamassoure,

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/2011/008 DK/Odense Steel Shipyard 2 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 550 out of 981 redundancies that occurred before, during and after the reference period between 1 May and 31 August 2011 in relation to the second wave of dismissals caused by the closure of the Odense Steel Shipyard and in four of its suppliers;
- B) Whereas Denmark establishes a link between the redundancies and the financial and economic crisis resulting in cancelled orders and a considerable decrease in new orders concerning the standard cargo ships segments, like tankers, container ships and bulk carriers;
- C) Whereas the Community of European Shipyards' Association (CESA) further states that due to these developments, about 23% of the jobs at European shipyards had been affected in the last three years and that the coming two years will remain very difficult for the industry as only few new orders are expected in 2012;

- D) Whereas this application constitutes the fourth EGF case<sup>1</sup> in the shipbuilding sector and is the second application targeting workers dismissed from the Odense Steel Shipyard;
- E) Whereas it was understood at the time of the first application that a second would follow to take care of the later and the final wave of redundancies;
- F) Whereas the Danish authorities argue that the closure of the Odense Steel Shipyards was unforeseen as heavy investments took place until 2009 and as it was one of the biggest and most modern shipyards in Europe that was known for designing and building innovative vessels that apply the newest technology in design and equipment;
- G) Whereas 96,5 % of the workers targeted by the measures are men; whereas 17,1 % of the workers are older than 55 years and 4,5 % younger than 24 years;
- H) Whereas 71,7% of the redundant workers are technicians and associated professionals and 12,7% fall under the category of elementary occupations;

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 Danish 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, Denmark is entitled for a financial contribution under this regulation;
2. Notes that the Danish authorities submitted the application for EGF financial contribution on 28 October 2011 and that its assessment was made available by the European Commission on 6 June 2012; urges the Commission to speed up the evaluation process, in particular in case of applications targeting sectors where EGF was already deployed on several occasions;
3. Notes that the Danish authorities inform that in their assessment only 550 of 981 workers dismissed would choose to participate in the measures while others would either decide to retire or would find new employment themselves; calls on the Danish authorities to use the EGF support to its full potential;
4. Welcomes the fact that the municipalities of Odense and Kerteminde, which are heavily affected by the dismissals in the Odense Steel Shipyard, were closely involved in the application, which is a part of a strategy for new growth opportunities in the region formulated by a consortium of local, regional and national stakeholders following the announcement of the closure of the shipyard in 2009;
5. Notes that the Danish authorities propose a relatively expensive coordinated package of personalised services (EUR 11 737 of EGF support per worker); welcomes, however, the fact that the package consists of measures that are additional and innovative compared to those offered regularly by the employment

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<sup>1</sup> EGF/2010/001 DK/Nordjylland, EGF/2010/006 PL/H. Cegielski-Poznan, EGF/2010/025 DK/Odense Steel Shipyard

agencies and which are adapted to assist highly skilled workers in a difficult employment market;

6. Welcomes the fact that the vocational training courses target new areas of strong growth or where strong public commitments are to be implemented in coming years, namely Energy Technology, Construction and Landscaping, Robotics and Welfare Technology;
7. Welcomes the fact that the coordinated package of personalised services offers also incentives and courses to start a new business which are foreseen for ten workers (including one start up loan of EUR 26 000), especially in the region where entrepreneurship is weak;
8. Notes, however, the proposed subsistence allowance of EUR 103 per worker per day of active involvement and that the amount foreseen for those allowances represent more than one third of the global cost of the package; recalls that that the EGF support should primarily be allocated to job search and training programs instead of contributing directly to financial allowances which are the responsibility of Member States by virtue of national law;
9. Welcomes the fact that the EGF support in this case is coordinated by a newly set-up EGF Secretariat under the Odense Municipality and that a dedicated website was established and two conferences are planned to promote the outcomes of the two EGF applications;
10. Stresses that Danish authorities recognise the advantages of the EGF and its unique capacity to assist dismissed workers immediately with specific tailored measures; notes that in view of the Danish authorities those measures could have been deployed neither in the framework of the European Social Fund nor of the European Regional Development Fund;
11. Deplores the fact that, despite several successful Danish mobilisations of the EGF under both the trade-related and the crisis related criteria, Denmark is among the countries undermining the future of the Fund after 2013, blocking the extension of the crisis derogation and decreasing the financial allocation to the European Commission for the technical assistance for EGF for 2012.

Yours sincerely,



Pervenche Berès