27.5.2021

Mr Johan Van Overtveldt
Chair
Committee on Budgets
BRUSSELS

Subject: Opinion on mobilisation of the European Globalisation Adjustment Fund – EGF/2020/003 DE/GMH Guss - Germany (2021/0107(BUD))

Dear Mr Chair,

Under the procedure referred to above, the Committee on Employment and Social Affairs has been asked to submit an opinion to your committee. At its meeting of 18 May 2021, the committee decided to send the opinion in the form of a letter.

The Committee on Employment and Social Affairs considered the matter at its meeting of 27 May 2021. At that meeting, it decided to call on the Committee on Budgets, as the committee responsible, to incorporate the following suggestions into its motion for a resolution.

Yours sincerely,

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

A. Whereas on 15 December 2020, Germany submitted an application EGF/2020/003 DE/GMH Guss for a financial contribution from the EGF, following redundancies in GMH Guss GmbH in Germany. Whereas the application was submitted within 12 weeks of the date on which the intervention criteria set out in Article 4 of the EGF Regulation were met;

B. Whereas Germany submitted the application under the intervention criteria of Article 4(1)(a) of the EGF Regulation, which requires at least 500 workers being made redundant over a reference period of four months in an enterprise in a Member State;

C. Whereas the application relates to 585 workers made redundant by four subsidiaries of GMH Guss GmbH following insolvency proceedings. This enterprise operates in the economic sector classified under the NACE Revision 2 Division 24 (Manufacture of basic metals). Whereas these sites are located in the Ruhr area, the traditional industrial region in North Rhine-Westphalia;

D. Whereas the application concerns a targeted 476 workers made redundant and refers to the mobilisation of a total amount of EUR 1 081 706 from the EGF for Germany representing 60 % of the total costs of the proposed actions;

E. Whereas the foundry industry in Germany is facing acute challenges such as changes in international trade in goods and services, for example in the automotive industry on which the sector is particularly reliant, as well as relocating activities to third countries, including to EU candidate countries, with sometimes lower environmental standards and highly subsidized industries; whereas for the first time in history, German car makers were producing more cars in China than in Germany;

F. Whereas the overall metal casting production in Germany decreased by 8.9 % between 2018 and 2019 due to these globalisation-related challenges, affecting in particular North Rhine-Westphalia where 25 % of the German cast metals are produced.

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:

1. Agrees with the Commission that the conditions set out in Article 4(1)(a) of the EGF Regulation are met and that Germany is entitled to a financial contribution of EUR 1 081 706 under that Regulation, which represents 60 % of the total cost of EUR 1 802 845;

2. Notes that all the procedural requirements were met;

3. Notes that many of the workers made redundant are men in the second half of their professional career, have a low level of formal qualification, and often a poor command of German language, as a high number of the beneficiaries come from a migrant
background. Stresses that the profile of such workers and their specific needs must be addressed by the personalised package of services provided under the EGF and in this regard welcomes the inclusion of upskilling measures, peer group workshops and follow up mentoring;

4. Underlines that those redundancies are expected to have a considerable impact on the Ruhr area, the traditional industrial region in North Rhine-Westphalia, due to structural challenges since the 1960s and which were exacerbated by the ongoing Covid-19 pandemic;

5. Recalls that assistance from the EGF and other Union funds must not replace actions, which are the responsibility of the employers, be it by virtue of national law or collective agreements.