



*Committee on Employment and Social Affairs
The Chair*

22.11.2021

Mr Johan Van Overtveldt
Chair
Committee on Budgets
BRUSSELS

Subject: **Opinion on mobilisation of the European Globalisation Adjustment Fund – EGF/2021/004 ES/Aragón automotive - Spain (2021/0356(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 11 November 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 22 November 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

SUGGESTIONS

- A. Whereas on 26 July 2021, Spain submitted an application EGF/2021/004 ES/Aragón to mobilise the EGF in respect of 592 displaced workers whose activity has ceased in the economic sector classified under the NACE Revision 2 division 29 (Manufacture of motor vehicles, trailers and semi-trailers located in the NUTS 2 region of Aragón (ES24), within a reference period for the application from 1 November 2020 to 1 May 2021; whereas in total 50 enterprises are concerned;
- B. Whereas the Commission deemed the application admissible under the intervention criteria of Article 4(2)(b) of the EGF Regulation, which requires the cessation of activity of at least 200 displaced workers over a reference period of six months in enterprises operating in the same economic sector defined at NACE Revision 2 division and located in one region or two contiguous regions defined at NUTS 2 level in a Member State;
- C. Whereas on 8 November, the Commission adopted a proposal for a decision on the mobilisation of the EGF to support the reintegration in the labour market of 320 targeted beneficiaries, out of the 592 displaced workers during the reference period of 1 November 2020 till 1 May 2021 and 460 displaced workers before or after the reference period;
- D. Whereas the Covid-19 pandemic has caused an economic crisis; whereas the strict lockdown measures implemented in Spain in Q2 2020 resulted the temporary closure of car dealers commercial activity and car production, which hit the automotive sector hard; whereas, according to data from Confemetal¹ and Anfac², the pandemic had a significant impact on the activity and turnover of the enterprises operating in the automotive sector in Spain, which resulted in a decline in sales (32,3%)³, production (18,9%), and turnover (11,3%) in 2020 compared to 2019, with negative consequences on employment and on the liquidity of enterprises (payment defaults, access to credit, etc.)⁴; whereas, also, according to Anfac, the worldwide shortage of semiconductors is putting additional stress in the car sector and causing a significant decline in car production;
- E. Whereas in Aragón, the automotive sectors represents 2,42% of the net employment and about 6% of the regional GDP⁵, and registered unemployment is now 26% higher than pre-pandemic levels (75 578 job seekers in June 2021 compared to 60 000 in June 2019)⁶;
- F. Whereas the EGF shall not exceed a maximum annual amount of EUR 186 million (in 2018 prices), as laid down in Article 8 of Council Regulation (EU, Euratom) No 2020/2093 of 17 December 2020 laying down the multiannual financial framework for

¹ Confemetal is the Spanish Confederation of Metal Business Organizations, which represents about 220,000 enterprises and more than one and a half million workers.

² Anfac is the association of Spanish car manufacturers.

³ <https://anfac.com/wp-content/uploads/2021/07/Informe-Anual-ANFAC-2020.pdf>

⁴ Confemetal. Newsletter 'Metal en cifras' n° 199, July 2021

⁵ <https://caaragon.com/>

⁶ <https://www.facebook.com/GobAragon/posts/6537004519658572>

the years 2021 to 2027.

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(2), point (b), of the EGF Regulation are met and that Spain is entitled to a financial contribution of EUR 1 404 863 under that Regulation, which represents 85 % of the total cost of EUR 1 652 780, comprising expenditure for personalised services of EUR 1 600 280 and expenditure for implementing the EGF⁷ of EUR 52 500;
2. Notes that all the procedural requirements were met;
3. Stresses that the Spanish authorities have confirmed that the eligible actions do not receive assistance from other Union funds or financial instruments;
4. Welcomes the personalised services that are going to be provided to the workers and self-employed persons consisting of the following actions: general information and welcome sessions, occupational guidance, intensive job-search assistance, horizontal, re-skilling and up-skilling trainings, as well as participation and outplacement incentives as well as a contribution to commuting expenses ; notes that the measures were planned in line with the Spanish Circular Economy; recalls the possibility for special time-limited measures within the coordinated package including, inter alia, to pay childcare allowances, as provided in Article 7.2 b of the new EGF regulation in order to facilitate job seekers' participation in the activities proposed and their transition to work;
5. Encourages the authorities to focus more on programs and actions designed with the interests of both older workers and women in mind, since 39,7% of the targeted beneficiaries belong to the 54+ age group and 34,1 % of the targeted beneficiaries are women, with both these groups of workers already disproportionately affected within the overall unemployment rate in the region;
6. Reiterates that assistance from the EGF must not replace actions which are the responsibility of companies, by virtue of national law or collective agreements;
7. Welcomes the fact that the social partners were consulted in the drawing up of the coordinated package of personalised services and calls for social partners' involvement in its implementation and evaluation.

⁷ In accordance with Article 7(5) of the EGF Regulation.