European Globalisation Adjustment Fund

At its March plenary, the European Parliament is due to vote on six applications for the mobilisation of the European Globalisation Adjustment Fund (EGF). The EGF provides one-off support to workers losing their jobs as a result of major structural changes in world trade patterns.

The European Globalisation Fund in a nutshell

The EGF was introduced in 2007 as a flexible instrument in the EU budget to provide support, under specific conditions, to workers who have lost their jobs as a result of mass redundancies caused by major changes in global trade (e.g. delocalisation to third countries). Since 2007, the EGF has received **146 applications** and has paid out €454.2 million (out of €545.3 million requested) in favour of **119 980 workers**. Companies from the automotive, machinery and equipment, and textile industries have been among the most frequent applicants for EGF aid.

The EGF can be used only in case of a specific crisis, on a Member State's request for financial support, and whenever the relevant conditions are met. Relevant conditions are: *(1)* **a minimum of 500 redundancies over a period of four months** in an enterprise in a Member State, or, alternatively, *(2)* **a minimum of 500 redundancies in SMEs over a period of nine months**. Applications for a contribution from the EGF falling outside the criteria, laid down in points *(1)* and *(2),* may be considered admissible in exceptional circumstances (e.g. small labour markets).

In line with the European Council conclusions of February 2013, the maximum amount available for EGF actions has been cut from €500 million to **€150 million per year** for the 2014-20 MMF, whereas EU contributions under the Fund have been increased to 60% of the total estimated cost of proposed measures.

Applications for approval at the March plenary

The March plenary will vote on **six applications for the mobilisation of the EGF** (one from Poland, one from Germany, and four from Belgium, respectively). These requests are summarised below.

Poland – Zachem

Application EGF/2013/009 PL/Zachem follows **615 redundancies** at Zachem, Poland, and in two of its suppliers, also in Poland. The total contribution requested is €115 205 (50% of the total costs).

Germany – Aleo Solar

Application EGF/2014/014 DE/Aleo Solar follows **657 redundancies** at Aleo Solar and in two subsidiaries in Germany. The total contribution requested is €1 094 760 (60% of the total costs).

Belgium – Saint-Gobain Sekurit

Application EGF/2013/011 BE/Saint-Gobain follows **257 redundancies** at Saint-Gobain Sekurit in Belgium. The total contribution requested is €1 339 928 (50% of the total costs).

Belgium – Hainaut-Steel

Application EGF/2013/007 BE/Hainaut Steel follows **708 redundancies** at two companies (Duferco Belgium SA and La Louvière SA) in Belgium. The total contribution requested is €981 956 (50% of the total costs).

Belgium – ArcelorMittal

Application EGF/2014/012 BE/ArcelorMittal follows **1 285 redundancies** at ArcelorMittal in Belgium. The total contribution requested is €1 591 486 (60% of the total costs).

Belgium – Caterpillar

Application EGF/2014/011 BE/Caterpillar follows **1 030 redundancies** at Caterpillar SA in Belgium. The total contribution requested is €1 222 854 (60% of the total costs).

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PE 549.016