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TEXTS ADOPTED

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**P9\_TA(2021)0265**

**Mobilisation of the European Globalisation Adjustment Fund: application EGF/2020/003 DE/GMH Guss - Germany**

**European Parliament resolution of 8 June 2021 on the proposal for a decision of the European Parliament and of the Council on the mobilisation of the European Globalisation Adjustment Fund following an application from Germany – EGF/2020/003 DE/GMH Guss (COM(2021)0207 – C9-0156/2021 – 2021/0107(BUD))**

*The European Parliament,*

- having regard to the Commission proposal to the European Parliament and the Council (COM(2021)0207 – C9-0156/2021),
  - having regard to Regulation (EU) No 1309/2013 of the European Parliament and of the Council of 17 December 2013 on the European Globalisation Adjustment Fund (2014-2020) and repealing Regulation (EC) No 1927/2006<sup>1</sup> EGF Regulation),
  - having regard to Council Regulation (EU, Euratom) 2020/2093 of 17 December 2020 laying down the multiannual financial framework for the years 2021-2027<sup>2</sup>, and in particular Article 8 thereof,
  - having regard to the Interinstitutional Agreement of 16 December 2020 between the European Parliament, the Council of the European Union and the European Commission on budgetary discipline, on cooperation in budgetary matters and on sound financial management as well as on new own resources, including a roadmap towards the introduction of new own resources<sup>3</sup>, (IIA of 16 December 2020), and in particular point 9 thereof,
  - having regard to the opinions of the Committee on Employment and Social Affairs and the Committee on Regional Development,
  - having regard to the report of the Committee on Budgets (A9-0189/2021),
- A. whereas the Union has set up legislative and budgetary instruments to provide additional support to workers who are suffering from the consequences of major structural changes in world trade patterns or of the global financial and economic crisis, and to assist their

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<sup>1</sup> OJ L 347, 20.12.2013, p. 855.

<sup>2</sup> OJ L 433 I, 22.12.2020, p. 11.

<sup>3</sup> OJ L 433 I, 22.12.2020, p. 28.

reintegration into the labour market; whereas this assistance is made through a financial support given to workers and the companies for which they worked;

- B. whereas Germany submitted application EGF/2020/003 DE/GMH Guss for a financial contribution from the European Globalisation Adjustment Fund (EGF), following 585 redundancies<sup>1</sup> in four subsidiaries of the company Guss GmbH classified under the NACE Revision 2 Division 24 (Manufacture of basic metals) in the NUTS level 2 of Düsseldorf (DEA1)<sup>2</sup> and Arnsberg (DEA5)<sup>3</sup>, within a reference period for the application from 31 July 2020 to 30 November 2020;
- C. whereas the application relates to 585 workers made redundant by four subsidiaries of GMH Guss GmbH in Germany;
- D. whereas the application is based on the intervention criteria of Article 4(1), point (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;
- E. whereas the foundry industry in Germany is facing acute challenges such as changes in international trade in goods and services and overproduction in China, in particular in the automotive and machine industry, as well as relocating activities to third countries, including to EU candidate countries, where lower environmental standards apply<sup>4</sup> and industries are highly subsidized;
- F. whereas GMH Guss problems started when the main client of subsidiary Walter Hundhausen GmbH, accountable for 60 % of the subsidiary's production, took the decision to nearshore parts of its supply chain to Turkey;
- G. whereas Taiwanese competitor MEITA opened two foundries in Obrenovac, Serbia, that mainly produce for the European automotive industry and due to subsidies and lower labour costs, MEITA was able to offer far lower prices than its German competitor GMH Guss;
- H. whereas the overall metal casting production in Germany decreased by 8,9 % between 2018 and 2019<sup>5</sup> due to these globalisation-related challenges, affecting in particular North Rhine-Westphalia where 25 % of the German cast metals are produced;
- 1. Agrees with the Commission that the conditions set out in Article 4(1), point (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, comprising expenditure for personalised services of EUR 1 730 731 and

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<sup>1</sup> Within the meaning of Article 3 of the EGF Regulation.

<sup>2</sup> Subsidiaries Friedrich Wilhelms-Hütte Eisenguss GmbH and Friedrich Wilhelms-Hütte GmbH, both located in Mülheim an der Ruhr.

<sup>3</sup> Subsidiary Dieckerhoff Guss GmbH in Gevelsberg, and the subsidiary Walter Hundhausen GmbH (as well as the main seat of GMH Guss GmbH) in Schwerte.

<sup>4</sup> Deutsche Bank Research (2020): Automobilindustrie – Produktion in China überflügelt heimische Fertigung; Eurofound (2016): -ERM report 2016: Globalisation slowdown? Recent evidence of offshoring and reshoring in Europe; Eurofound (2020): ERM report 2020: Restructuring across borders. Measured in compensated gross tonnage (cgt).

<sup>5</sup> Stephen, Sophie (2020): Deutsche Gussproduktion 2019 und Ausblick 2020, in: GIESSEREI, 04/2020.

expenditure for preparatory, management, information and publicity, control and reporting activities of EUR 72 114;

2. Notes that the German authorities submitted the application on 15 December 2020, and that, following the provision of additional information by Germany, the Commission finalised its assessment on 27 April 2021 and notified it to Parliament on the same day;
3. Notes that all the procedural requirements were met;
4. Notes that the application relates in total to 585 workers made redundant in the German industrial sector; regrets that Germany expects that only 476 out of the total eligible beneficiaries of which 455 are men and 21 women, most of them between 30 and 54 years old will participate in the measures (targeted beneficiaries);
5. Underlines that those redundancies are expected to have a considerable impact on the local economy, since they took place in a context of high level of unemployment (10,7 % in September 2020) in the Ruhr area due to structural challenges since the 1960s and the consequences of the Covid-19 pandemic;
6. Points out that most of the workers made redundant are in the second half of their professional career, have a low level of formal qualification and often a poor command of German language; underlines further that, as explained in the application, a high number of the beneficiaries are men with a migrant background and that their successful reintegration into the labour market could be facilitated by other members of their households, who often have a much better knowledge of German than the former employees;
7. Highlights and welcomes the organisation of peer groups, taking into account the personal situations of the former employees affected; underlines the need for former employees, without discrimination and independently of their nationality, to be integrated and supported by the measures included in this EGF project;
8. Considers it to be a social responsibility of the Union to provide these workers who have been made redundant with the necessary qualifications for the ecological and just transformation of the Union industry in line with the European Green Deal, since they worked in a sector with high carbon intensity; welcomes, therefore, the personalised services provided by this EGF to the workers, which include upskilling measures and German courses, workshops, vocational orientation, job counselling, as well as training allowances and business start-up advisory service, to make the area, and the overall labour market, more sustainable and resilient in the future;
9. Notes that Germany started providing personalised services to the targeted beneficiaries on 1 August 2020 and that the period of eligibility for a financial contribution from the EGF will therefore be from 1 August 2020 to 15 December 2022;
10. Notes that Germany started incurring administrative expenditure to implement the EGF on 1 November 2020 and that expenditure on preparatory, management, information and publicity, control and reporting activities will therefore be eligible for a financial contribution from the EGF from 1 November 2020 to 15 June 2023;
11. Welcomes that the co-ordinated package of personalised services was drawn up by Germany in consultation with the social partners, and that a monitoring committee comprising representatives of the Ministry of Labour and Social Affairs, the Public

Employment Services, the transfer company, representatives of the social partners, representatives of IG Metall trade union, the liquidators of the dismissing enterprise and its subsidiaries, as well as representatives of the works councils, was set up to steer the EGF co-financed intervention; highlights that the social partners of the enterprises concerned already cooperated in the months and years prior to the mobilisation of the EGF to improve the difficult economic conditions and situation, which also included significant salary concessions made by the workers;

12. Notes that the German authorities have confirmed that the eligible actions are complementing without replacing measures offered by the European Social Fund (ESF) through the ESF Operational Programme for North Rhine-Westphalia;
13. Reiterates that assistance from the EGF must not replace actions which are the responsibility of companies, by virtue of national law or collective agreements;
14. Approves the decision annexed to this resolution;
15. Instructs its President to sign the decision with the President of the Council and arrange for its publication in the *Official Journal of the European Union*;
16. Instructs its President to forward this resolution, including its Annex, to the Council and the Commission.

## ANNEX

### DECISION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

**on the mobilisation of the European Globalisation Adjustment Fund following an application from Germany – EGF/2020/003 DE/GMH Guss**

*(The text of this annex is not reproduced here since it corresponds to the final act, Decision (EU) 2021/1021.)*