



Council of the
European Union

Brussels, 15 October 2014
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PROPOSAL

From: Secretary-General of the European Commission,
signed by Mr Jordi AYET PUIGARNAU, Director

date of receipt: 14 October 2014

To: Mr Uwe CORSEPIUS, Secretary-General of the Council of the European
Union

No. Cion doc.: COM(2014) 630 final

Subject: Proposal for a Decision of the European Parliament and of the Council on
the mobilisation of the European Globalisation Adjustment Fund, in
accordance with Point 13 of the Interinstitutional Agreement of 2 December
2013 between the European Parliament, the Council and the Commission
on budgetary discipline, on cooperation in budgetary matters and on sound
financial management (application EGF/2014/008 FI/STX Rauma)

Delegations will find attached document COM(2014) 630 final.

Encl.: COM(2014) 630 final



Brussels, 14.10.2014
COM(2014) 630 final

Proposal for a

DECISION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

**on the mobilisation of the European Globalisation Adjustment Fund, in accordance with Point 13 of the Interinstitutional Agreement of 2 December 2013 between the European Parliament, the Council and the Commission on budgetary discipline, on cooperation in budgetary matters and on sound financial management
(application EGF/2014/008 FI/STX Rauma)**

EXPLANATORY MEMORANDUM

CONTEXT OF THE PROPOSAL

1. The rules applicable to financial contributions from the European Globalisation Adjustment Fund (EGF) are laid down in 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 1927/2006¹ (the 'EGF Regulation').
2. The Finnish authorities submitted application EGF/2014/008 FI/STX Rauma for a financial contribution from the EGF, following redundancies in STX Finland Oy in Rauma in Finland.
3. The Commission found the information provided by the Member State to be complete. Following its assessment of the application, the Commission has concluded, in accordance with all applicable provisions of the EGF Regulation, that the conditions for awarding a financial contribution from the EGF are met.

SUMMARY OF THE APPLICATION

EGF application	EGF/2014/008 FI/STX Rauma
Member State	Finland
Region(s) concerned (NUTS level 2)	West Finland (FI19)
Date of submission of the application	27.5.2014
Date of acknowledgement of receipt of the application	10.6.2014
Date of request for additional information	10.6.2014
Deadline for provision of the additional information	22.7.2014
Deadline for the completion of the assessment	14.10.2014
Intervention criterion	Article 4(1)(a) of the EGF Regulation
Primary enterprise	STX Finland Oy in Rauma
Sector(s) of economic activity (NACE Rev. 2 division) ²	Division 30 ('Manufacture of other transport equipment')
Number of subsidiaries, suppliers and downstream producers	0
Reference period (four months):	7.11.2013 - 7.3.2014
Number of redundancies or cessations of activity during the reference period (a)	577
Number of redundancies or cessations of activity before or after the reference period (b)	57

¹ OJ L 347, 20.12.2013, p. 855.

² Regulation (EC) No 1893/2006 of the European Parliament and of the Council of 20 December 2006 establishing the statistical classification of economic activities NACE Revision 2 and amending Council Regulation (EEC) No 3037/90 as well as certain EC regulations on specific statistical domains (OJ L 393, 30.12.2006, p. 1).

Total number of redundancies (<i>a + b</i>)	634
Total estimated number of targeted beneficiaries	565
Number of targeted young persons not in employment, education or training (NEETs)	0
Budget for personalised services (EUR)	2 265 000
Budget for implementing EGF ³ (EUR)	113 000
Total budget (EUR)	2 378 000
EGF contribution (60 %) (EUR)	1 426 800

ASSESSMENT OF THE APPLICATION

Procedure

4. The Finnish authorities submitted application EGF/2014/008 FI/STX Rauma within 12 weeks of the date on which the intervention criteria set out in paragraphs 7 to 9 below were met, on 27 May 2014. The Commission acknowledged receipt of the application within two weeks of the date of submission of the application, on 10 June 2014, and requested additional information from the Finnish authorities on the same date. Such additional information was provided within six weeks of the request. The deadline of 12 weeks of the receipt of the complete application within which the Commission should finalise its assessment of the application's compliance with the conditions for providing a financial contribution, expires on 14 October 2014.

Eligibility of the application

Enterprises and beneficiaries concerned

5. The application relates to 634 workers made redundant in STX Finland Oy, most of them at its shipyard located in Rauma, but some spillover also affecting its bigger Turku facility. STX Finland Oy operates in the economic sector classified under NACE Rev. 2 division 30 ('Manufacture of other transport equipment'). The redundancies made by the enterprise concerned are mainly located in the NUTS⁴ level 2 region of West Finland (FI19).

Intervention criteria

6. The Finnish authorities 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 or self-employed persons' activity ceasing, over a reference period of four months in an enterprise in a Member State, including workers made redundant by suppliers and downstream producers and / or self-employed persons whose activity has ceased.
7. The reference period of four months runs from 7 November 2013 to 7 March 2014.

³ In accordance with the fourth paragraph of Article 7 of Regulation (EU) No 1309/2013.

⁴ Commission Regulation (EU) No 1046/2012 of 8 November 2012 implementing Regulation (EC) No 1059/2003 of the European Parliament and of the Council on the establishment of a common classification of territorial units for statistics (NUTS) as regards the transmission of the time series for the new regional breakdown (OJ L 310, 9.11.2012, p. 34).

8. The application relates to 577 workers made redundant⁵ in STX Finland Oy during the reference period of four months.

Calculation of redundancies and of cessation of activity

9. The redundancies have all been calculated from the date of the employer's individual notice to lay off or to terminate the contract of employment of the worker.

Eligible beneficiaries

10. In addition to the 577 workers already referred to, the eligible beneficiaries include 57 workers made redundant after the reference period of four months. These workers were all made redundant after the general announcement of the projected redundancies on 16 September 2013. A clear causal link can be established with the event which triggered the redundancies during the reference period.
11. The total number of eligible beneficiaries is therefore 634.

Link between the redundancies and major structural changes in world trade patterns due to globalisation

12. In order to establish the link between the redundancies and major structural changes in world trade patterns due to globalisation, Finland argues that the global maritime industry changed dramatically in recent years. Resulting from the explosive growth of the order book in the period 2002 to 2008, new shipyards were built, most of them in Asia. However, the global economic and financial crisis meant that the order book was halved between 2007 and 2013. As a result of the reduced orders and the significant expansion by Asia in the shipbuilding market, the sector is currently suffering from global overcapacity leading to tough competition.
13. As part of this trend, the EU market share has plummeted. Measured by production volume, the EU market share in shipbuilding was 5 % in the first three quarters of 2013, down from 13 % in 2007. The equivalent share of China, South Korea and Japan combined was 86 % in the first three quarters of 2013, while in 2007 this same share had been 77 %.
14. In 2012, the number of new vessels ordered dropped by 20 % from the previous year to 24.7 CGT (compensated gross tonnage), and represents half of the total production volume. The share of European shipyards in the order book stood at 7.5 % (measured in CGT), while in 2005 to 2008, Europe's share had still been 12 to 14 %. The largest market share in 2012 was that of China (34.6 %), the second largest South Korea (28.8 %) and the third largest Japan (17.8 %). Measured by the order book value, the market leader is now South Korea, which has received more significant orders in terms of value and workload than its competitors.
15. Measured by production volume, Europe's market share in shipbuilding in 2012 was 4.6 %. The market leaders were China (41.1 %), South Korea (27.9%) and Japan (17.5 %). In terms of the order book, Europe's share in 2012 was 5.8 %. China as the market leader had a share of 35.9 %, South Korea 30.7 % and Japan 14.1 %.⁶

⁵ Within the meaning of Article 3(a) of the EGF Regulation.

⁶ Source : Sea Europe Market Monitoring 1-3Q/2013

16. In many Asian countries, the shipyard industry has become an instrument for creating national employment and earning foreign currency. States there support the shipbuilding industry because of its global character and employment impacts. Europe, the birthplace of the modern shipbuilding industry, has thus to a great extent lost out to Asian countries with low labour costs. The traditional shipyard industry is not based on a high level of expertise but on organised, labour-intensive delivery tying up considerable capital, where labour-intensiveness, raw material costs and investments in equipment are all important.
17. To date, the shipbuilding sector in broad terms has been the subject of 6 EGF applications ⁷, with one based on trade related globalisation and the other five on the global financial and economic crisis. Three of these cases relate to shipyards as such, while the other three relate to machinery and equipment for ships.

Events giving rise to the redundancies and cessation of activity

18. The redundancies are caused by the closure of the STX shipyard in Rauma, with some ensuing job losses at the bigger STX shipyard in Turku. The latter remains open but has (since the Rauma application was submitted) been sold to the German Meyer Werft and the State of Finland.

The city of Rauma has been known for its shipbuilding operations since 1945, when two shipyards were established in the town. In 1992, the two Finnish shipyards that had survived the shipyard crisis of the 1970s and 1980s, merged to become Finnyards Oy. In 1998, the shipyard came under Norwegian management and changed its name to Aker Finnyards, and in 2009, the new Korean owners renamed the company STX Finland Oy.

In the 2000s, the Rauma shipyard gained success by specialising in deliveries of passenger-cargo ships and special-purpose vessels to both Finnish and international customers, including the Finnish Defence Forces, the Finnish Border Guard, and even the Namibian Ministry of Fisheries and Marine Resources.

In September 2011, the shipyard signed a letter of intent with the Norwegian Eide Marine Semi AS on the outfitting, completion and handover of two service vessels for oil and gas fields. The vessels were designed to perform various duties related to servicing oil and gas fields in difficult offshore conditions on the Brazilian continental shelf. The value of this contract exceeded EUR 300 million. However, the terms of the letter of intent were not met, and so the Rauma shipyard's entry into the Brazilian market was thwarted at the last minute.

The Korean STX Group, which owned the shipyards in Turku and Rauma, got into difficulties in early 2013. STX Offshore & Shipbuilding, the company responsible for shipbuilding operations in the group, approached its creditors for a voluntary agreement in April 2013. All STX shipyards in Europe, including the one in Rauma, were put on the market in May 2013, but no potential buyers could be found.

⁷ These are : EGF/2010/001 DK/Nordjylland COM(2010)451; EGF/2010/006 PL/Cegielski-Poznan COM(2010)631; EGF/2010/025 DK/Odense Steel Shipyard COM(2011)251; EGF/2011/008 DK/Odense Steel Shipyard COM(2012)272; EGF/2011/019 ES/Galicia Metal COM(2012)451, and the current case EGF/2014/008 FI/STX Rauma.

In the summer of 2013, the situation looked promising for the Rauma shipyard, as STX Finland and Scandlines signed a letter of intent on building two car ferries for the Rostock to Gedser service. STX Finland expected this order to bring full employment to the Rauma shipyard until 2015.

However, in September 2013 STX Finland unexpectedly announced that the operations of the Rauma shipyard in their current form would be discontinued and that the company would concentrate its operations in Turku. It is likely that this decision was prompted by problems in the talks with Scandlines. In February 2014, the news was finally released that the drawn-out talks with Scandlines had been unproductive.

As the shipyard closed down, 700 STX Finland employees in Rauma and some 70 in Turku lost their jobs.

Expected impact of the redundancies as regards the local, regional or national economy and employment

19. In 2013, there were on average 3 100 unemployed persons in Rauma, of whom over 900 were industrial workers. This had risen to 3 400 in January 2014. After the redundancies at STX, this number will increase by almost 700. Of these people, some 500 will be industrial workers.
20. The lowest unemployment rate in the region, 7.1 %, was recorded in 2008. In 2013, the unemployment rate was 10.0 %, and in January 2014, it was 11.1 %. After STX closes down, the unemployment rate is expected to go up by over 2 percentage points.
21. The most common educational background of the unemployed in the Rauma region is secondary level (48 %). The share of those with nothing but basic level education is slightly smaller (34 %), while 8 % have a lowest-level or a lower-degree level tertiary education. 3 % have a higher-degree level tertiary education. The redundancies at STX will significantly increase the share of those with secondary level education or basic level only.
22. Of the unemployed in the area, 30 % are over 55 years old. The next largest group is those aged 45-54 years with a share of 22 %. The share of unemployed persons aged less than 25 is 11 %. Those aged over 55 are the largest age group made redundant at STX, amounting to as many as 250 people. The number of employees losing their jobs in the age group 45-54 will also be large, or over 200 people. Due to the age group of the workers made redundant, it will be more difficult for them to find new jobs, with a risk for some of the older workers to go to early retirement.
23. A poor standard of education in combination with relatively advanced age is likely to increase the risk of prolonged unemployment. Between January 2010 and May 2014, the number of long-term unemployed increased by 23 %. During the same period, the number of long-term unemployed aged over 55 increased by 42 %. As the largest age groups losing their jobs at STX are those aged over 55 and those aged 45-54, their risk of prolonged unemployment and exclusion is high.
24. Turku in Southwest Finland will also be affected, as some 70 STX redundancies are expected there, in particular in ship design tasks for the Rauma shipyard.

25. As a result of the global financial and economic crisis, which has continued for four years in the region, the current rate of unemployment in Turku region is 12.7 %, or 5.5 percentage points higher than at the beginning of 2008, whereas this increase at the national level is 4.0 percentage points. The Turku region will also be affected by threatened redundancies in the trade and services sectors.
26. The order book of STX Finland in Turku, which is significant to the marine industry, was empty at the time of application, with Mein Schiff 3 in the outfitting phase and Mein Schiff 4 in the block construction phase. The former will be handed over to the TUI shipyard by the summer of 2014 and the latter in the spring of 2015. Due to the owner's financial problems, the Turku shipyard has been unable to attract new orders. This looks likely to change under the new owners, and new orders are already expected.
27. The general cyclical position of companies in Southwest Finland as a whole is affected by the more stringent terms of external funding and a downturn in the Russian trade. The technology industry in the region (with Nokia as the strongest presence in the past) has lost some of its national share.

Targeted beneficiaries and proposed actions

Targeted beneficiaries

28. The estimated number of targeted workers expected to participate in the measures is 565. The breakdown of these workers by sex, citizenship and age group is as follows:

	Category	Number of targeted beneficiaries	
Sex:	Men:	496	(87,79 %)
	Women:	69	(12,21 %)
Citizenship:	EU citizens:	565	(100,00 %)
	non-EU citizens:	0	(0,00 %)
Age group:	15-24 years:	7	(1,24 %)
	25-29 years:	28	(4,96 %)
	30-54 years:	294	(52,04 %)
	55-64 years:	234	(41,42 %)
	over 64 years:	2	(0,35 %)

Eligibility of the proposed actions

29. Finland is planning three types of measures for the redundant workers covered by this application, (i) helping them to transfer to a new job, (ii) helping them to start their own business, and (iii) providing training or education. All the following measures combine to form a co-ordinated package of personalised services which aims at re-integrating the redundant workers into employment :
30. Coaching and other preparatory measures : The unemployed workers can be helped in job-seeking techniques, with counselling and guidance, visits to job fairs, help with job applications and CVs. This service will be provided to groups of varying

sizes. Depending on the group, the training will be given for between 5 and 20 days. Detailed career guidance is also given to groups, with focus for interaction and work practice. This coaching can be up to 40 days. Individuals or groups can be provided with job coaches, who can act as sparring partners during the job search and as mentors to both employers and employees during the early periods of a new job. Up to 50 hours of coaching can be provided per job-seeker per year.

The workers can also benefit from a range of expert assessments. These, for instance, can assess the individual's work capacity, including health related aspects, competence and vocational skills, or the entrepreneurial skills and potential of the worker.

Job seekers can be given the opportunity to carry out training trials, where they can test their aptitude for various fields of study for a trial period of around 10 days.

31. Employment and business services at a Service Point : The redundant workers are provided with Service Points which take care of them during the implementation phase. The Service Points set out to advise the affected workers from the outset by providing a much more personal and in-depth service to them than the public employment office would normally be able to deliver. Special attention is paid to ensuring that none of the workers slip into long-term unemployment.
32. Training and re-training : The goal of the training measures is the acquisition of a basic or vocational qualification within an industry with a high employment rate, or as continuing training through the strengthening of existing competencies, or as guidance / preparatory labour market training for persons with no future career plan. Training is tailored according to the target group, and the courses can contain, for instance, expansion of ICT sector competencies; project, quality and financial management, and development of business skills. Most vocational labour market training is aimed at a qualification; for suitable job-seekers, education related to business start-up will be provided.
33. Entrepreneurship promotion and training and expert services : The promotion of entrepreneurship begins as labour market training for potential future entrepreneurs. In addition, new entrepreneurs are offered advice, consultation, and support, and start-up grants are provided. Those planning to start a business can try out entrepreneurship, for example by means of a placement in an existing enterprise. Specific start-up grants can support the subsistence of the new entrepreneurs in the early stages of entrepreneurship. The maximum duration of such grants is 18 months.
34. Enterprise survey : A survey of jobs in the Rauma region is to be carried out together with business and industries in Rauma. The survey will produce up-to-date information on enterprises' personnel needs. With the aid of the information gathered, job searches by the targeted workers can be steered in the right direction and plans and arrangements made for the necessary training. Approximately 500 interviews will be carried out per year.
35. Pay subsidies : These can be made available to employers in the public or private sector willing to hire the targeted workers and willing to ensure that they are paid a reasonable salary and given every support and the necessary on-the-job training as they settle into unfamiliar jobs. Workers themselves may be issued with a card

providing their potential new employer with the pay subsidy. The amount and duration are fixed according to the competence and the needs of the worker. Despite of the fact that there is no minimum statutory duration, Finland adds that this measure usually lasts three months. When the beneficiary is a young job-seeker, the duration can be reduced to one month or two weeks.

36. Allowances for travel, overnight and removal costs : A job-seeker may be granted an allowance for travel and accommodation costs incurred for job-seeking or travel and accommodation costs resulting from participation in training aimed at promoting employment, and compensation for removal expenses when accepting a job outside their commuting area (distance of 43 km). With the help of these allowances, those who have lost their jobs will be encouraged to look for work over an extensive geographical area.
37. The proposed actions, here described, constitute active labour market measures within the eligible actions set out in Article 7 of the EGF Regulation. These actions do not substitute passive social protection measures.
38. The Finnish authorities have provided the required information on actions that are mandatory for the enterprise concerned by virtue of national law or pursuant to collective agreements. They have confirmed that a financial contribution from the EGF will not replace such actions.

Estimated budget

39. The estimated total costs are EUR 2 378 000, comprising expenditure for personalised services of EUR 2 265 000 and expenditure for preparatory, management, information and publicity, control and reporting activities of EUR 113 000.
40. The total financial contribution requested from the EGF is EUR 1 426 800 (60 % of total costs).

Actions	Estimated number of participants	Estimated cost per participant (EUR) ⁸	Estimated total costs (EUR) ⁹
Personalised services (Actions under Article 7(1)(a) and (c) of the EGF Regulation)			
Coaching and other preparatory measures	405	400	162 000
Employment and business services at a service point	550	360	200 000
Training and retraining	208	4 900	1 016 000

⁸ To avoid decimals, the estimated costs per worker have been rounded. However the rounding has no impact on the total cost of each measure which remains as in the application submitted by Finland.

⁹ Totals do not tally due to rounding.

Entrepreneurship promotion and training and expert services	60	6 000	360 000
Start-up grant	30	6 000	180 000
Enterprise survey	550	45	25 000
Sub-total (a):	–		1 943 000 (85,78 %)
Allowances and incentives (Actions under Article 7(1)(b) of the EGF Regulation)			
Pay subsidy	62	5 000	310 000
Allowances for travel, overnight and removal costs	80	150	12 000
Sub-total(b):	–		322 000 (14,22 %)
Actions under Article 7(4) of the EGF Regulation			
1. Preparatory activities	–		2 500
2. Management	–		73 000
3. Information and publicity	–		25 000
4. Control and reporting	–		12 500
Sub-total (c):	–		113 000 (4,75 %)
Total costs (a + b + c):	–		2 378 000
EGF contribution (60 % of total costs)	–		1 426 800

41. The costs of the actions identified in the table above as actions under Article 7(1)(b) of the EGF Regulation do not exceed 35 % of the total costs for the coordinated package of personalised services. The Finnish authorities confirmed that these actions are conditional on the active participation of the targeted beneficiaries in job-search or training activities.
42. The Finnish authorities confirmed that the costs of investments for self-employment and business start-ups will not exceed EUR 15 000 per beneficiary.

Period of eligibility of expenditure

43. The Finnish authorities started providing the personalised services to the targeted beneficiaries on 15 January 2014. The expenditure on the actions referred to in points 29 to 37 shall therefore be eligible for a financial contribution from the EGF from 15 January 2014 to 27 May 2016.

44. The Finnish authorities started incurring the administrative expenditure to implement the EGF on 15 January 2014. The expenditure for preparatory, management, information and publicity, control and reporting activities shall therefore be eligible for a financial contribution from the EGF from 15 January 2014 to 27 November 2016.

Complementarity with actions funded by national or Union funds

45. The required national co-funding will come mainly from the public employment services line in the administrative branch of the Ministry of Employment and the Economy. Some services will be co-funded from the operating expenditure of the Centres for Economic Development, Transport and the Environment and the Employment and Economic Development Offices. Technical support tasks will be co-funded from the operating expenditure of the Ministry of Employment and the Economy and the Centres for Economic Development, Transport and the Economy. An effort will be made to provide national pre-funding for all actions and tasks, allowing for activities on EGF support to be launched as rapidly and efficiently as possible while awaiting the requested EGF contribution.
46. A national package of measures titled "Models between the recruiting company and the retrenching company" is under preparation within the new ESF programming period. The objective of this set of measures is to supplement and develop activities related to national structural changes and security amidst the change. The central aim for the national coordination is to increase effectiveness and efficiency and to avoid overlapping while taking into account both the regional ESF activity and the experiences from the previous programming periods. It is intended, among other things, to bring about joint product development, to identify good and poor practices, to improve communications and to anchor the projects' good results. The EGF Managing Authority will be following this activity with a view to making good use of it in future EGF applications.
47. The Finnish authorities have confirmed that the measures described above receiving a financial contribution from the EGF will not also receive financial contributions from other Union financial instruments and have provided a description of the systems used for this purpose.

Procedures for consulting the targeted beneficiaries or their representatives or the social partners as well as local and regional authorities

48. The Finnish authorities have indicated that the co-ordinated package of personalised services has been drawn up in consultation with the social partners concerned as well as various other stakeholders.
49. The consultation took place and continues in the form of a working group convened by the Ministry of Employment and the Economy specifically to address the redundancies at STX Finland. The working group has representatives from the Centre for Economic Development, Transport and the Environment for Satakunta, the Centre for Economic Development, Transport and the Environment for Southwest Finland, the Employment and Economic Development Office for Satakunta, City of Rauma, and of the social partners, the Council of Finnish Industrial Unions (including Trade Union Pro, the Finnish Metalworkers' Union and

Academic Engineers and Architects Finland/Federation of Professional and Managerial Staff YTN, the Union of Professional Engineers in Finland) and the Federation of Finnish Technology Finland, as well as company representatives from STX Finland.

Management and control systems

50. The application contains a description of the management and control system which specifies the responsibilities of the bodies involved. Finland has notified the Commission that the financial contribution will be managed by the Ministry of Employment and the Economy, which also manages ESF funds. The same Ministry acts as the Certifying Authority. There is a strict separation of duties and of reporting relationships between the departments responsible for these two functions. The management functions for the EGF have been assigned to the Employment and Entrepreneurship Department, while those for the ESF are with the Regional Department. The certifying functions for both Funds are within the Human Resources and Administration Unit. The Ministry has prepared a manual setting out in detail the procedures to be followed.
51. With regard to auditing, the responsible body is the independent Internal Auditing Unit, operating under the Permanent Secretary. Functions related to monitoring and auditing are also included in the range of functions of both the managing and the certifying authorities.

Commitments provided by the Member State concerned

52. The Finnish authorities have provided all necessary assurances regarding the following:
- the principles of equality of treatment and non-discrimination will be respected in the access to the proposed actions and their implementation;
 - the requirements laid down in national and EU legislation concerning collective redundancies have been complied with;
 - the dismissing enterprise has continued its activities after the lay-offs; it has complied with its legal obligations governing the redundancies and has provided for its workers accordingly;
 - the proposed actions will provide support for individual workers and will not be used for restructuring companies or sectors;
 - the proposed actions will not receive financial support from other Union funds or financial instruments and any double financing will be prevented;
 - the proposed actions will be complementary with actions funded by the Structural Funds;
 - the financial contribution from the EGF will comply with the procedural and material Union rules on State aid.

BUDGETARY IMPLICATION

Budgetary proposal

53. The EGF shall not exceed a maximum annual amount of EUR 150 million (2011 prices), as laid down in Article 12 of Council Regulation (EU, Euratom) No 1311/2013 of 2 December 2013 laying down the multiannual financial framework for the years 2014-2020¹⁰.
54. Having examined the application in respect of the conditions set out in Article 13(1) of the EGF Regulation, and having taken into account the number of targeted beneficiaries, the proposed actions and the estimated costs, the Commission proposes to mobilise the EGF for the amount of EUR 1 426 800, representing 60 % of the total costs of the proposed actions, in order to provide a financial contribution for the application.
55. The proposed decision to mobilise the EGF will be taken jointly by the European Parliament and the Council, as laid down in point 13 of the Interinstitutional Agreement of 2 December 2013 between the European Parliament, the Council and the Commission on budgetary discipline, on cooperation in budgetary matters and on sound financial management¹¹.

Related acts

56. At the same time as it presents this proposal for a decision to mobilise the EGF, the Commission will present to the European Parliament and to the Council a proposal for a transfer to the relevant budgetary line for the amount of EUR 1 426 800.
57. At the same time as it adopts this proposal for a decision to mobilise the EGF, the Commission will adopt a decision on a financial contribution, by means of an implementing act, which will enter into force on the date at which the European Parliament and the Council adopt the proposed decision to mobilise the EGF.

¹⁰ OJ L 347, 20.12.2013, p. 884.

¹¹ OJ C 373, 20.12.2013, p. 1.

DECISION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

**on the mobilisation of the European Globalisation Adjustment Fund, in accordance with Point 13 of the Interinstitutional Agreement of 2 December 2013 between the European Parliament, the Council and the Commission on budgetary discipline, on cooperation in budgetary matters and on sound financial management
(application EGF/2014/008 FI/STX Rauma)**

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union,

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 1927/2006¹², and in particular Article 15(4) thereof,

Having regard to the proposal from the European Commission,

Acting in accordance with the procedure laid down in point 13 of the Interinstitutional Agreement of 2 December 2013 between the European Parliament, the Council and the Commission on budgetary discipline, on cooperation in budgetary matters and on sound financial management¹³,

Whereas:

- (1) The European Globalisation Adjustment Fund (EGF) was established to provide support for workers made redundant and self-employed persons whose activity has ceased as a result of major structural changes in world trade patterns due to globalisation, as a result of a continuation of the global financial and economic crisis addressed in Regulation (EC) No 546/2009¹⁴, or as a result of a new global financial and economic crisis and to assist them with their reintegration into the labour market.
- (2) The EGF shall not exceed a maximum annual amount of EUR 150 million (2011 prices), as laid down in Article 12 of Council Regulation (EU, Euratom) No 1311/2013 laying down the multiannual financial framework for the years 2014-2020¹⁵.
- (3) Finland submitted an application to mobilise the EGF, in respect of redundancies¹⁶ in STX Finland Oy in Rauma in Finland, on 27 May 2014 and supplemented it by additional information as provided for in Article 8.3 of Regulation (EU) No

¹² OJ L 347, 20.12.2013, p. 855.

¹³ OJ C 373, 20.12.2013, p. 1.

¹⁴ OJ L 167, 29.6.2009, p.26.

¹⁵ OJ L 347, 20.12.2013, p. 884.

¹⁶ Within the meaning of Article 3(a) of the EGF Regulation.

1309/2013. This application complies with the requirements for determining a financial contribution from the EGF as laid down in Article 13 of Regulation (EU) No 1309/2013.

- (4) The EGF should, therefore, be mobilised in order to provide a financial contribution of an amount of EUR 1 426 800 for the application submitted by Finland,

HAVE ADOPTED THIS DECISION:

Article 1

For the general budget of the European Union for the financial year 2014, the EGF shall be mobilised to provide the sum of EUR 1 426 800 in commitment and payment appropriations.

Article 2

This decision shall be published in the *Official Journal of the European Union*.

Done at Brussels,

For the European Parliament
The President

For the Council
The President