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2026/0220 (BUD)

Proposal for a

DECISION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

on the mobilisation of the European Globalisation Adjustment Fund for Displaced Workers following an application from Finland – EGF/2026/003 FI/Valmet Automotive

EXPLANATORY MEMORANDUM

CONTEXT OF THE PROPOSAL

1. The rules applicable to financial contributions from the European Globalisation Adjustment Fund for Displaced Workers (EGF) are laid down in Regulation (EU) 2021/691 of the European Parliament and of the Council of 28 April 2021 on the European Globalisation Adjustment Fund for Displaced Workers (EGF) and repealing Regulation (EU) No 1309/2013[1].

2. On 5 May 2026, Finland submitted an application EGF/2026/003 FI/Valmet Automotive for a financial contribution from the EGF, following displacements in Valmet Automotive and five subcontractors and suppliers in Finland.

3. Following its assessment of this application, the Commission has concluded, in accordance with all applicable provisions of Regulation (EU) 2021/691, that the conditions for awarding a financial contribution from the EGF are met.

SUMMARY OF THE APPLICATION

EGF application	EGF/2026/003 FI/Valmet Automotive
Member State	Finland
Region(s) concerned (NUTS[2] level 2)	Länsi-Suomi (FI19)
Date of submission of the application	5 May 2026
Date of acknowledgement of receipt of the application	5 May 2026
Date of request for additional information	21 May 2026
Deadline for provision of the additional information	12 June 2026
Deadline for the completion of the assessment	24 August 2026
Intervention criterion	Article 4(2), point (a), of Regulation (EU) 2021/691
Primary enterprise	Valmet Automotive Oyj
Number of enterprises concerned	6[3]
Sector of economic activity of primary enterprise (NACE Revision 2 division)[4]	Division 29 (Manufacture of motor vehicles, trailers and semi-trailers)
Number of subcontractors and suppliers	5
Reference period (four months):	2 December 2025 – 2 April 2026

[1] OJ L 153, 3.5.2021, p. 48, , ELI: http://data.europa.eu/eli/reg/2021/691/oj.

[2] Commission Delegated Regulation 2019/1755 of 8 August 2019 amending the Annexes to 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). OJ L 270, 24.10.2019, p. 1–56.

[3] The displacements took place during the reference period in the primary enterprise and one supplier, and outside the reference period in four subcontractors.

[4] OJ L 393, 30.12.2006, p. 1.

Number of displacements during the reference period (*a*)	239
Number of displacements before or after the reference period (*b*)	21
Total number of displacements (*a* + *b*)	260
Total number of eligible beneficiaries	260
Total number of targeted beneficiaries	233
Budget for personalised services (EUR)	663 850
Budget for implementing EGF[5] (EUR)	20 000
Total budget (EUR)	683 850
EGF contribution (60 %) (EUR)	410 310

ASSESSMENT OF THE APPLICATION

Procedure

4. Finland submitted application EGF/2026/003 FI/Valmet Automotive within 12 weeks of the date on which the intervention criteria set out in Article 4 (2), point (a) of Regulation (EU) 2021/691 were met, on 5 May 2026. The Commission acknowledged receipt of the application the same date and requested additional information from Finland on 21 May 2026. Such additional information was provided within 15 working days of the request. The deadline of 50 working days 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 24 August 2026.

Eligibility of the application

Enterprises and beneficiaries concerned

5. The application relates to 239 displaced workers whose activity has ceased in Valmet Automotive and one of its suppliers. The primary enterprise operates in the economic sector classified under the NACE Revision 2 division 29 (Manufacture of motor vehicles, trailers and semi-trailers). The redundancies are located in the NUTS 2 region of Länsi-Suomi (FI19).

Enterprises and number of displacements within the reference period	
Valmet Automotive Oyj (Manufacture of motor vehicles)	230
Compass Group Finland Oy (Food and beverage service activities)	9
Total no. of enterprises: 2	**Total no. of displacements: 239**

Intervention criteria

6. Finland submitted the application under the intervention criteria of Article 4(2), point (a) of Regulation (EU) 2021/691, which requires the cessation of activity of at least 200 displaced workers over a reference period of four months in an enterprise in

[5] In accordance with Article 7(5) of Regulation (EU) 2021/691.

a Member State, including workers displaced in suppliers and downstream producers.

7. The reference period of four months for the application runs from 2 December 2025 to 2 April 2026.

8. There were 239 job displacements during the reference period.

Calculation of displacements and of cessation of activity

9. Pursuant to Article 6, first paragraph, point (a), in conjunction with Article 5, first paragraph, point (c), of Regulation (EU) 2021/691, the cessation of activities of the displaced workers during the reference period has been calculated from the date of the individual notice.

Eligible beneficiaries

10. In addition to the workers already referred to, the eligible beneficiaries include 21 displaced workers whose activity ceased before or after the reference period of four months. All these workers ceased their activity within the six months before the start of the reference period on 2 December 2025 or between the end of the reference period and the day before the adoption of this proposal, pursuant to Article 6, first paragraph, point (b), of Regulation (EU) 2021/691. A clear causal link can be established with the event that triggered the cessations of activity of the displaced workers during the reference period, as required by Article 6, second paragraph, of Regulation (EU) 2021/691.

11. The total number of eligible beneficiaries is 260.

Description of the events that led to the displacements and cessation of activity

12. The financial situation and employment in Valmet Automotive, a contract manufacturer of the automobile industry, has always been dependent on fixed-term contracts with large car manufacturers, and therefore subject to fluctuations.

13. Due to the global downturn in the automobile industry that has continued for several years, the company has run into difficulties and has had to gradually reduce its personnel, from just under 3,200 in the early 2020's to approximately 1,300 before the latest redundancies[6].

14. After the end of the two-model contract with Mercedes-Benz in 2025, the factory no longer had any orders, forcing it to new staff reductions. In the co-operation negotiations in November 2025, the company announced that it would dismiss a maximum of 235 people and temporarily lay-off 860 people. The company's difficult situation has naturally also affected the entire subcontracting chain.

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

15. The new large-scale lay-offs and redundancies at the Valmet Automotive Uusikaupunki car factory, by far the region's largest employer, have hit hard the entire region. Strong dependence on the car plant in the Vakka-Suomi sub-region poses significant challenges to the already difficult situation in the region.

16. The unemployment rate in Vakka-Suomi rose to 12,2 % in December 2025, 1,7 percentage points higher than year before[7]. Among young jobseekers (under 25 years

[6] Newspaper Turun Sanomat 12.11.2025.

[7] Statistics Finland: Työttömien työnhakijoiden osuus työvoimasta kk:n lopussa

of age), the unemployment rate reached 17,3 %, an increase of 4,2 percentage points year-on-year[8].

17. As an export-driven region, Länsi-Suomi has suffered more from fluctuations and uncertainties in the global economy than other regions. The growth rate of unemployment in Länsi-Suomi has been the third fastest in the country, increasing by nearly 15 % from 2024 to 2025[9]. The unemployment rate, 12,3 % in December 2025, is still below the national average. However, the number of long-term unemployed has grown to the highest levels in history, up 39 % from 2024[10]. Nationwide, the unemployment has been steadily increasing, reaching 13,0 % in December 2025[11], and the demand for labour has slowed down over the last couple of years.

18. The situation of the largest companies in the region is relatively stable, as many companies continue to show willingness to invest and pursue growth. Some of the workers dismissed by Valmet Automotive could possibly find a job in other companies in the region through training or other support measures.

19. Valmet Automotive has sought to expand its operations into new fields. It has signed a letter of intent with Patria, Finland's leading defence technology company, and received a small order for the assembly of armoured vehicles. If Valmet Automotive is successful in its transition to defence and security technology, the company may be able to re-hire a considerable portion of its displaced employees. It is therefore essential for both the company and the Uusikaupunki region to maintain the working capacity of these persons and to keep them and their families in the region. This is especially important for the immigrant workers on work-related residency permit.

20. Turku, ca. 70 km from Uusikaupunki, is a major center for maritime industry, which has a constant demand for technical specialists. Among the workers made redundant by Valmet Automotive, many could find new employment in the maritime industry through expert guidance or supplementary specialisation training. The EGF support package is designed to help the displaced workers align their skills with the skills demand of employers in the Uusikaupunki and Turku regions.

Application of the EU Quality Framework for anticipation of change and restructuring (QFR)

21. Finland has described how the recommendations set out in the EU Quality Framework for anticipation of change and restructuring have been taken into account. EGF support is designed to be consistent with the EU Quality Framework by reinforcing early intervention, active labour market measures and coordinated support packages. The monitoring committee for the programme, consisting of representatives of ministries, regions and social partners, oversees implementation, effectiveness, and alignment with strategic objectives, ensuring that EU funds and national resources are used in a complementary and coordinated manner.

22. Regarding the activities undertaken to assist the displaced workers, Finland has reported that the employment services to the dismissed workers were started on the day the termination notices were issued, including, for example, several information sessions and one-on-one counselling. The first job-seeking training for former Valmet Automotive workers started on 23 March 2026.

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8 Statistics Finland: Alle 25-vuotiaiden työttömien työnhakijoiden osuus alle 25-vuotiaasta työvoimasta

9 Statistics Finland: Työnvälitystilasto

10 Statistics Finland: Työnvälitystilasto

11 Statistics Finland: Työnvälitystilasto

Complementarity with actions funded by national or Union funds

23. Finland has confirmed that the measures described below receiving a financial contribution from the EGF will not also receive financial contributions from other Union financial instruments.

24. The coordinated package of personalised services complements actions funded by other national or EU funds.

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

25. Finland has indicated that the co-ordinated package of personalised services has been drawn up in consultation with experts and social partners, in compliance with Article 7(4) of Regulation (EU) 2021/691. The EGF support has been discussed in the regional sudden structural change steering group, involving regional stakeholders and the Ministry of Economic Affairs and Employment, since December 2025. The final package of measures was agreed in a meeting with the public employment services and employees' and employers' representatives on 4 May 2026.

Targeted beneficiaries and proposed measures

Targeted beneficiaries

26. The estimated number of displaced workers expected to participate in the measures is 233. Pursuant to Article 8(7), point (f), of Regulation (EU) 2021/691, the provided breakdown of these workers by gender, age group and educational level is as follows:

Category		Number of expected beneficiaries	
Gender:	Men:	164	(70,4 %)
	Women:	69	(29,6 %)
	Non-binary	0	(0,0 %)
Age group:	Below 30 years:	19	(8,1 %)
	30-54 years:	150	(64,4 %)
	Over 54 years:	64	(27,5 %)
Educational level	Lower secondary education or less[12]	49	(21,0 %)
	Upper secondary[13] or post-secondary education[14]	173	(74,2 %)
	Tertiary education[15]	11	(4,7 %)

[12] ISCED 0-2

[13] ISCED 3

[14] ISCED 4

[15] ISCED 5-8

Proposed measures

27. Pursuant to Article 8(7), point (h) of Regulation (EU) 2021/691, the personalised coordinated package to be provided to displaced workers consists of the following measures:

– Job-seeking training: The participants receive information about the support services available for jobseekers, and training to chart their reintegration into labour market. They will practice applying for jobs by drawing up or updating their CVs and writing actual job applications. Personal interviews with situational assessment will be conducted by experts dedicated to the project. Special attention will be given to those participants who need to improve their digital skills to improve their job-seeking skills and/or labour market position.

– Job and career coaching: Job coaching offers general guidance for searching employment but can include also a personal coach providing personalised assistance. In career coaching, personalised support is provided to the participants to help them plan their working career, including possible career or sector changes, with the required competence/skills mapping. If necessary, longer-term support programmes, with group-based exercises, can be provided. These may also include introductory periods in one or several workplaces.

– Vocational training: The goal of the vocational training is the acquisition of skills that support transition to a new sector with high employment rate.

– Occupational safety and competence cards: Occupational safety and competence cards are nationally recognised certificates of proficiency in various safety-related skills. These cards can be obtained by completing a learning course and a standardised test.

– Language training: Labour-market oriented Finnish language training will be provided to those beneficiaries whose proficiency in Finnish is insufficient for rapid re-employment.

– Start-up grant: A start-up grant ensures an income for an aspiring entrepreneur during the estimated time required to launch and establish a full-time business, up to a maximum of 12 months.

– Incentives and allowances: Pay subsidies lower the recruitment threshold by reducing the new employer’s payroll costs. The aim is to help the jobseekers improve their professional competence in the open labour market. The amount of pay subsidy is generally 50 % of the payroll costs; the length of the subsidised period depends on the duration of the preceding unemployment period.

28. A range of ICT training and additional support, based on an initial assessment of the digital skills level of the beneficiaries, caters for the dissemination of the skills required in the digital industrial age and in a resource-efficient economy, as required by Article 7(2) of Regulation (EU) 2021/691.

29. The proposed actions, here described, constitute active labour market policy measures within the eligible actions set out in Article 7 of Regulation (EU) 2021/691. These actions do not substitute passive social protection measures.

30. Finland has provided the required information on measures that are mandatory for the enterprise concerned by virtue of national law or pursuant to collective agreements. In accordance with Article 9(1) of Regulation (EU) 2021/691, Finland

has confirmed that a financial contribution from the EGF will not replace such measures.

Estimated budget

The estimated total costs are EUR 683 850, comprising expenditure for personalised services of EUR 663 850 and expenditure for preparatory, management, information and publicity, control and reporting activities of EUR 20 000.

31. The total financial contribution requested from the EGF is EUR 410 310 (60 % of total costs).

32. Pursuant to Article 8(7), point (m), of Regulation (EU) 2021/691, Finland has specified that the national pre-financing and co-funding is provided by Turku Employment Region.

Measures	Estimated number of participants	Estimated cost per participant *(EUR)*[16]	Estimated total costs *(EUR)*[17]
Personalised services (measures under Article 7(2), second subparagraph, point (a), of Regulation (EU) 2021/691)			
Job-seeking training	233	968	225 600
Job and career coaching	70	675	47 250
Vocational training	16	5 000	80 000
Occupational safety and competence cards	20	150	3 000
Language training	40	750	30 000
Start-up grant	5	9 600	48 000
Sub-total (a): Percentage of the package of personalised services	–		433 850 (65,35 %)
Allowances and incentives (measures under Article 7(2), second subparagraph, point (b), of Regulation (EU) 2021/691)			

16 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.

17 Totals do not tally due to rounding.

Pay subsidy	23	10 000	230 000
Sub-total (b): Percentage of the package of personalised services	–		230 000 (34,65 %)
Activities under Article 7(5) of Regulation (EU) 2021/691			
1. Preparatory activities	–		2 000
2. Management	–		12 000
3. Information and publicity	–		5 000
4. Control and reporting	–		1 000
Sub-total (c): Percentage of the total costs:	–		20 000 (2,92 %)
Total costs (a + b + c):	–		683 850
EGF contribution (60 % of total costs)	–		410 310

33. The costs of the measures identified in the table above as measures under Article 7(2), second subparagraph, point (b), of Regulation (EU) 2021/691 do not exceed 35 % of the total costs for the coordinated package of personalised services. Finland confirmed that these measures are conditional on the active participation of the targeted beneficiaries in job-search or training activities.

34. In accordance with Article 7(2), fourth subparagraph, of Regulation (EU) 2021/691, Finland confirmed that the costs of investments for self-employment, business start-ups and employee take-overs will not exceed EUR 22 000 per beneficiary.

Period of eligibility of expenditure

35. Finland started providing the personalised services to the targeted beneficiaries on 23 March 2026. The expenditure on the measures will therefore be eligible for a financial contribution from the EGF from 23 March 2026 until 24 months after the date of the entry into force of the Financing Decision.

36. Finland started incurring the administrative expenditure to implement the EGF on 23 March 2026. The expenditure for preparatory, management, information and publicity, control and reporting activities shall therefore be eligible for a financial contribution from the EGF from 23 March 2026 until 31 months after the date of the entry into force of the Financing Decision.

Management and control systems

37. The application contains a description of the management and control system required under Article 23 of Regulation (EU) 2021/691, which specifies the responsibilities of the bodies involved. Finland has notified the Commission that the financial contribution will be managed and controlled by the Ministry of Economic Affairs and Employment, by the same units who act as managing and certifying authority for ESF+ in Finland. The independent Internal audit under the authority of the Permanent Secretary of the Ministry of Economic Affairs and Employment acts as the audit authority for the EGF.

Commitments provided by the Member State concerned

38. Finland has provided all necessary assurances regarding the following:

- the principles of equality of treatment and non-discrimination will be respected in access to the proposed measures and their implementation,
- the requirements laid down in national and EU legislation concerning collective redundancies have been complied with,
- any double financing will be prevented,
- the financial contribution from the EGF will comply with the procedural and material Union rules on State aid.

BUDGETARY IMPLICATION

Budgetary proposal

39. The EGF shall not exceed a maximum annual amount of EUR 30 million (in 2018 prices), as laid down in Article 8 of Council Regulation (EU, Euratom) 2020/2093 of 17 December 2020 laying down the multiannual financial framework for the years 2021 to 2027[18].

40. Having examined the application in respect of the conditions set out in Article 13(1) and (2) of Regulation (EU) 2021/691, and having taken into account the number of targeted beneficiaries, the proposed measures and the estimated costs, the Commission proposes to mobilise the EGF for the amount of EUR 410 310, representing 60 % of the total costs of the proposed measures, in order to provide a financial contribution for the application.

41. The proposed decision to mobilise the EGF will be taken jointly by the European Parliament and the Council pursuant to Article 15(1), first subparagraph, second sentence, of Regulation (EU) 2021/691 and, as laid down in point 9 of 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[19].

Related acts

42. 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 to transfer to the relevant budgetary line the amount of EUR 410 310.

43. At the same time as it adopted this proposal for a decision to mobilise the EGF, the Commission adopted a decision on a financial contribution that constitutes a financing decision within the meaning of Article 110 of Regulation (EU, Euratom) 2024/2509[20]. That financing decision will enter into force on the date on which the Commission is notified of the approval of the budgetary transfer by the European

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18 OJ L 433 I, 22.12.2020, p. 11, ELI: http://data.europa.eu/eli/reg/2020/2093/oj.

19 OJ L 433 I, 22.12.2020, p. 28, ELI: http://data.europa.eu/eli/agree_interinstit/2020/1222/oj.

20 Regulation (EU, Euratom) 2024/2509 of the European Parliament and of the Council of 23 September 2024 on the financial rules applicable to the general budget of the Union (recast), OJ L, 2024/2509, 26.9.2024, ELI: http://data.europa.eu/eli/reg/2024/2509/oj.

Parliament and the Council pursuant to Article 15(2), first subparagraph, of Regulation (EU) 2021/691.

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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) 2021/691 of the European Parliament and of the Council of 28 April 2021 on the European Globalisation Adjustment Fund for Displaced Workers (EGF) and repealing Regulation (EU) No 1309/2013[21], and in particular Article 15(1), first subparagraph, 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[22], and in particular point 9 thereof,

Having regard to the proposal from the European Commission,

Whereas:

(1) The European Globalisation Adjustment Fund for Displaced Workers (EGF) aims to demonstrate solidarity and promote decent and sustainable employment in the Union by providing support for workers made redundant and self-employed persons whose activity has ceased in the case of major restructuring events and assisting them in returning to decent and sustainable employment as soon as possible.

(2) The EGF is not to exceed a maximum annual amount of EUR 30 million (in 2018 prices), as laid down in Article 8 of Council Regulation (EU, Euratom) 2020/2093[23], and Article 16 of Regulation (EU) 2021/691.

(3) On 5 May 2026, Finland submitted an application to mobilise the EGF in accordance with Article 8(1) of Regulation (EU) 2021/691, in respect of workers' displacements in Valmet Automotive and 5 sub-contractors and suppliers in Finland. It was supplemented by additional information provided in accordance with Article 8(5) of Regulation (EU) 2021/691. That application is considered to comply with the conditions for providing a financial contribution from the EGF as laid down in Article 13 of Regulation (EU) 2021/691, on the basis of the assessment made by the Commission in the Proposal for a mobilisation decision of the European Parliament and of the Council[24].

[21] OJ L 153, 3.5.2021, p. 48, ELI: http://data.europa.eu/eli/reg/2021/691/oj.

[22] OJ L 433 I, 22.12.2020, p. 28, ELI: http://data.europa.eu/eli/agree_interinstit/2020/1222/oj.

[23] Council Regulation (EU, Euratom) 2020/2093 of 17 December 2020 laying down the multiannual financial framework for the years 2021 to 2027 (OJ L 433 I, 22.12.2020, p. 11, ELI: http://data.europa.eu/eli/reg/2020/2093/oj).

[24] COM (2026) 400

(4) The EGF should, therefore, be mobilised in order to provide a financial contribution of EUR 410 310 in respect of the application submitted by Finland.

(5) In order to minimise the time taken to mobilise the EGF, this Decision should apply from the date of its adoption,

HAVE ADOPTED THIS DECISION:

Article 1

For the general budget of the Union for the financial year 2026, the European Globalisation Adjustment Fund for Displaced Workers shall be mobilised to provide the amount of EUR 410 310 in commitment and payment appropriations.

Article 2

This Decision shall enter into force on the day of its publication in the Official Journal of the European Union. It shall apply from [*the date of its adoption*][*].

Done at Brussels,

For the European Parliament	*For the Council*
The President	*The President*

[*] Date to be inserted by the Parliament before the publication in OJ.