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Mobilisation of the European Globalisation Adjustment Fund for Displaced Workers: application EGF/2025/005 AT/KTM - Austria

European Parliament resolution of 26 March 2026 on the 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 Austria – EGF/2025/005 AT/KTM (COM(2026)0010 – C10-0026/2026 – 2026/0037(BUD))

(C/2026/4050)

The European Parliament,

- having regard to the Commission proposal to the European Parliament and the Council (COM(2026)0010 – C10-0026/2026),
- 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 ⁽¹⁾ ('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 ⁽²⁾ as amended by Regulation (EU, Euratom) 2024/765 ⁽³⁾ ('MFF Regulation'), 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 ⁽⁴⁾, and in particular point 9 thereof,
- having regard to the European Pillar of Social Rights,
- having regard to the opinion of the Committee on Employment and Social Affairs,
- having regard to the report of the Committee on Budgets (A10-0060/2026),
- 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 events and changes in world trade patterns, and to assist their reintegration into the labour market; whereas this assistance is made through a financial support given to workers;
- B. whereas Austria submitted application EGF/2025/005 AT/KTM for a financial contribution from the EGF following 1 488 displacements ⁽⁵⁾ in KTM Gruppe (KTM), in the economic sector classified under the NACE Revision 2 division 30 (Manufacture of other transport equipment) in the region of Upper Austria (AT31), with 233 displacements within a reference period from 25 February 2025 to 25 June 2025, and 1 255 displacements before or after the reference period;
- C. whereas the application is based on the intervention criteria of Article 4(2), point (a), of the EGF Regulation, which requires the cessation of activity of at least 200 displaced workers or self-employed persons over a reference period of four months in an enterprise in a Member State; whereas for the 1 255 displacements whose activity ceased before or after the four-month reference period a clear causal link can be established with the event that triggered the cessation of activity for the displaced workers during the reference period as required by Article 6(2) of the EGF Regulation;
- D. whereas KTM filed for insolvency on 29 November 2024 and a restructuring plan has been approved on 25 February 2025; whereas certain decisions by the company regarding the distribution of dividends in 2021 and 2024 while benefitting from public state aid during the Covid-19 pandemic raise concerns;

⁽¹⁾ OJ L 153, 3.5.2021, p. 48, ELI: <http://data.europa.eu/eli/reg/2021/691/oj>.

⁽²⁾ OJ L 433 I, 22.12.2020, p. 11, ELI: <http://data.europa.eu/eli/reg/2020/2093/oj>.

⁽³⁾ Council Regulation (EU, Euratom) 2024/765 of 29 February 2024 amending Regulation (EU, Euratom) 2020/2093 laying down the multiannual financial framework for the years 2021 to 2027 (OJ L, 2024/765, 29.2.2024, ELI: <http://data.europa.eu/eli/reg/2024/765/oj>).

⁽⁴⁾ OJ L 433 I, 22.12.2020, p. 28, ELI: http://data.europa.eu/eli/agree_interinst/2020/1222/oj.

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

- E. whereas Austria indicated that the Upper Austria Public Employment Service and the Province of Upper Austria are providing the national pre-financing and co-funding of the measures;
- F. whereas the requirements laid down in Union and national legislation concerning collective redundancies have been met;
- G. whereas financial contributions from the EGF should be primarily directed at active labour market policy measures and personalised services that aim to reintegrate beneficiaries rapidly into the labour market, while offering them skills training to facilitate their access to future labour market needs and preparing them for the green and digital transition;
- H. whereas the EGF shall not exceed a maximum annual amount of EUR 30 million (in 2018 prices) ⁽⁶⁾;
- I. whereas recent relocations of manufacturing activities outside the Union highlight the need to strengthen the competitiveness and resilience of European industry in the global market;
1. Agrees with the Commission that the conditions set out in the EGF Regulation and in particular in Article 4(2), point (a) thereof are met and that Austria is entitled to a financial contribution of EUR 1 806 624 under that Regulation, which represents 60 % of the total cost of EUR 3 011 040, comprising expenditure for personalised services of EUR 2 895 120 and expenditure for preparatory, management, information and publicity, control and reporting activities of EUR 115 920;
 2. Notes that the Austrian authorities submitted the application on 15 September 2025, and that, following the receipt of additional information by Austria, the Commission finalised its assessment on 6 February 2026 and notified it to Parliament on 11 February 2026; stresses the importance of shortening the time between the submission of an application for EGF assistance and the financing decision, while fully safeguarding the rights of the European Parliament as one arm of the budgetary authority;
 3. Notes that the application relates to 1 488 workers affected by the insolvency proceedings of KTM, which were the largest ever in Upper Austria; notes further that 420 displaced workers in total will be targeted beneficiaries and are expected to participate in the measures;
 4. Notes that KTM was the largest motorcycle producer of the Union and the largest subsidiary of Pierer Mobility AG; regrets that the parent company decided to move production to China and India in December 2023 due to unfair competitive conditions; notes that this led to an initial dismissal of 300 jobs and that subsequent sales losses prompted KTM to implement cost reductions, including the layoffs of over 500 employees during 2024;
 5. Notes that the parent company had to start a restructuring process and that, during KTM's first production shutdown in 2025, over 750 additional employees were made redundant; notes that the investor Bajaj Auto International Holdings B.V. provided the necessary resources to ensure the continuation of KTM on 22 May 2025, avoiding KTM's bankruptcy, and allowing production to resume in July 2025 while curbing spending;
 6. Notes that KTM was once one of the most successful motorcycles brands in Europe, a significant employer and critical economic pillar of many suppliers in the district of Braunau in Upper Austria; notes that, consequently, unemployment in the district rose by 37,1 % in November 2024, compared to the same month of the previous year; notes that unemployment reached all-time high in the Braunau district in 2025;
 7. Recalls that, in agreement with social partners, personalised services to be provided to the workers consist of the following measures: case management; career guidance and orientation; training and retraining; pro-active job-search; training allowances; emphasises the importance of fostering high-quality, future-oriented jobs to ensure long-term economic and social resilience; stresses the importance of close cooperation with regional businesses and employers to ensure that training and requalification programmes respond to concrete labour market needs and facilitate the rapid reintegration of displaced workers;
 8. Recalls that the EGF is an instrument of solidarity and just transition and while it provides support following job losses, it cannot replace a proactive industrial policy; stresses that the Union's primary task must be to prevent such closures in the first place, by creating the conditions to keep industrial production competitive, while at the same time investing in skills for both highly qualified and industrial workers; underlines the need to provide specific support tailored to profiles of workers with low-levels of education, while taking measures to reduce bankruptcies and address social disparities leading to exclusion from the workforce;

⁽⁶⁾ Article 8 of the MFF Regulation.

9. Stresses that the Austrian authorities shall ensure the visibility of the Union funding and highlight its added value by providing effective and targeted information to beneficiaries, regional and local authorities, social partners, and the wider public;
 10. Calls for thorough final evaluations of the measures implemented, including clear information on how the funds have been used and whether they were spent in line with the approved plans;
 11. Notes that Austria started providing both personalised services to the targeted beneficiaries and incurring administrative expenditure to implement the EGF on 1 March 2025 and that the period of eligibility for a financial contribution from the EGF will therefore be from that date until 24 months and until 31 months after the date of the entry into force of the financing decision, respectively;
 12. Notes that the Austrian authorities provided assurance that the principles of equality of treatment and non-discrimination will be respected in the access to the proposed actions and their implementation, and that any double financing will be prevented;
 13. Reiterates that assistance from the EGF must not replace actions that 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.
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ANNEX

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 Austria – EGF/2025/005 AT/KTM

(The text of this annex is not reproduced here since it corresponds to the final act, Decision (EU) 2026/850.)
