Mobilisation of the European Globalisation Adjustment Fund: redundancies in the automotive sector in France

2014/2076(BUD) - 21/10/2014 - Budgetary text adopted by Parliament

The European Parliament adopted by 579 votes to 81, with 9 abstentions, a resolution on the proposal for a decision of the European Parliament and of the Council on the mobilisation of the European Globalisation Adjustment Fund to the amount of **EUR 12 704 605** in commitment and payment appropriations in order to assist France following redundancies in the automotive sector.

Parliament recalled that the Union 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 and to assist their reintegration into the labour market.

Application from France: France submitted application EGF/2014/006 FR/PSA for a financial contribution from the EGF, following 6 120 redundancies in Peugeot Citroën Automobiles ('PSA') operating in the NACE Rev. 2 division 29 ('Manufacture of motor vehicles, trailers and semi-trailers') with redundancies mainly located in the regions of Ile de France (the Aulnay plant) and Bretagne (the Rennes plant), with 2 357 workers targeted for EGF co-funded measures, during the reference period from 1 October 2013 to 31 January 2014.

Parliament therefore asked the institutions to speed up mobilisation of the Fund for the amount requested, agreeing with the Commission that the conditions set out in Article 4(1) (a) of the EGF Regulation are met. In this respect, **France is entitled to a financial contribution under the EGF Regulation**.

Parliament welcomed the fact that, in order to provide workers with speedy assistance, the French authorities decided to initiate the implementation of the personalised services to the affected workers on 3 June 2013, well ahead of the final decision on granting the EGF support for the proposed coordinated package.

Parliament noted that the French authorities submitted the application for EGF financial contribution on 25 April 2014, and that its assessment was made available by the Commission on 10 September 2014. It welcomed the speedy evaluation of less than five months.

Nature of the redundancies: Parliament stressed that 6 120 redundancies will further aggravate the unemployment situation in the regions of Ile de France and Bretagne, where two of the affected plants are located since the Aulnay plant was the 8th largest employer in the city of Aulnay, and the redundancies reduce the numbers employed in the area by 13.6%. It also noted that, to date, the automotive sector has been the subject of 21 EGF applications, 12 of which were based on trade related globalisation and 9 on the global financial and economic crisis. It deemed it necessary that particular attention be devoted to this sector in the biennial report due in August 2015.

It noted that this is the **third application related to the French car industry** above EUR 10 million. It stressed the importance of well anticipated adjustments and good identification of skills, offering the possibility of reorientation by putting the competences of workers to the benefit of other sectors.

Coordinated package of personalised services: Parliament stated that the coordinated package of personalised services to be co-funded includes measures for workers made redundant such as reception

centre and casework, external experts guidance, thematic workshops, training, training allowances, grants for business creation. It noted that the information provided on the coordinated package of personalised services to be funded from the EGF includes information on complementarity with actions funded by the Structural Funds. It also stressed that the French authorities confirm that the eligible actions do not receive assistance from other Union financial instruments.

It welcomed the estimated high number of the participants to receive grants for business creation; notes that the amount of these grants remains under the cap of EUR 15 000, as set out in the EGF Regulation. It called for the timely assessment of this specific action in order to evaluate the results of such incentives, possibly in the next biennial report or at the latest in the final report.

New EGF: Parliament recalled that, in line with Article 7 of the EGF Regulation, the design of the coordinated package of personalised services should anticipate future labour market perspectives and required skills and should be compatible with the shift towards a resource-efficient and sustainable economy.

Lastly, it stressed that, in accordance with Article 9 of the EGF Regulation, it shall be ensured that the EGF assistance is limited to what is necessary to provide solidarity and temporary one-off support for targeted beneficiaries, and will not furthermore replace actions which are the responsibility of companies by virtue of national law or collective agreements.