Mobilisation of the European Globalisation Adjustment Fund: redundancies in transport services in France

2015/2056(BUD) - 23/02/2015 - Non-legislative basic document

PURPOSE: to mobilise the European Globalisation Adjustment Fund (EGF) to assist France following redundancies in its transport services.

PROPOSED ACT: Decision of the European Parliament and of the Council.

CONTENT: Article 12 of Council Regulation (EU, Euratom) No 1311/2013 laying down the multiannual financial framework for the years 2014-2020 provides that the EGF shall not exceed a maximum annual amount of **EUR 150 million** (2011 prices) over and above the relevant headings of the financial framework.

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 on the European Globalisation Adjustment Fund (2014-2020) and repealing Regulation (EC) No 1927/2006 (the 'EGF Regulation').

In this context, the Commission examined the application for mobilisation of the EGF to assist France and concluded the following:

France:EGF/2014/017 FR/Mory-Ducros: the French authorities submitted application EGF/2014/017 FR /Mory-Ducros for a financial contribution from the EGF, following redundancies in Mory-Ducros SAS in France.

The French authorities submitted the application within **12 weeks** of the date on which the intervention criteria set out below were met. The deadline expired on 23 February 2015.

In order to establish the link between the redundancies and the global financial and economic crisis addressed in Regulation (EC) No 546/2009, France argued that Mory-Ducros is active in the fields of courier services, freight transport and delivery, warehousing and rental of related materials, and provided these services both within France and abroad.

As a result of the global financial and economic crisis, road haulage in vehicles weighing more than 3.5 tonnes declined by 13.7% in the EU and by 21% in France between 2007 and 2012 (Eurostat). This decline has been following the general decline of physical output in Europe. Faced with the reduction in volumes to be transported, a price war broke out within the sector. This has been followed by a wave of bankruptcies in the road haulage sector, estimated to have increased by 35% annually when comparing 2013 with 2007.

To date, the 'Land transport and transport via pipelines' sector has been the subject of two EGF applications, this one and EGF/2011/001 AT/Nieder- und Oberoesterreich.

Basis of the French application: the French 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 from 13 March 2014 to 12

July 2014, including workers made redundant by suppliers and downstream producers and/or self-employed persons whose activity has ceased.

The application relates to 2 513 workers made redundant in Mory-Ducros SAS which operated in the economic sector classified under NACE Rev. 2 division 49 ('Land transport and transport via pipelines'). The redundancies made by the enterprise concerned are located throughout mainland France. The location with the highest number (257) is situated in the NUTS level 2 region of Ile de France.

The Commission therefore proposes to mobilise the EGF for the amount of **EUR 6 052 200**.

FINANCIAL IMPLICATIONS: 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 6 052 200**, representing 60% of the total costs of the proposed actions, in order to provide a financial contribution for the application.

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 management.

At the same time as it presents this proposal for a decision to mobilise the EGF, the Commission will present a proposal for a transfer to the relevant budgetary line for the amount requested.

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.