Mobilisation of the European Globalisation Adjustment Fund: redundancies in aircraft repair and installation services in Ireland

2015/2295(BUD) - 16/12/2015 - Budgetary text adopted by Parliament

The European Parliament adopted by 580 votes to 100, with 11 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, for an amount of **EUR 442 293** in commitment and payment appropriations in order to assist Ireland in dealing with redundancies in its aviation maintenance 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 or of the global financial and economic crisis and to assist their reintegration into the labour market.

Irish application: Ireland submitted application EGF/2015/006 IE/PWA International for a financial contribution from the EGF following 108 redundancies in PWA International Ltd (PWAI), operating in the NACE Rev. 2 division 33 ('Repair and installation of machinery equipment') in the NUTS level 2 region of Southern and Eastern Ireland. All redundant workers are expected to participate in the measures.

Given that the application does not fulfil the traditional eligibility criteria set down by the EGF Regulation in terms of number of redundancies and is submitted under the intervention criteria of Article 4(2) of that Regulation, which allows for derogation under exceptional circumstances, Ireland is entitled to a financial contribution under that Regulation.

Nature of the redundancies: Parliament noted that Ireland specialised in the Maintenance Repair and Overhaul (MRO) sector in the 1990's, which served it well at that time, but made it particularly vulnerable to the recent trend to locate MRO activity near centres of global aviation expansion, i.e. Asia. Members also noted that the situation in South Dublin is worrying given that the closure of PWAI has had a serious impact on employment and on the local, regional or national economy.

Clarify the ceiling of EGF for ‘exceptional circumstances’: Parliament agreed that the pre-existing difficult situation in the area, combined with the cumulative effect of three major closures in the MRO sector within a short period, and the fact that no employers in this sector remain in Ireland may justify a derogation from the threshold of 500 redundancies set out in article 4(1) of the EGF regulation. It reiterated, in this regard, its recommendation to the Commission to either clarify the derogation criteria set out in Article 4(1) of the EGF Regulation, or lower the threshold of 500 workers being made redundancies.

A package of personalised services: Parliament welcomed the fact that, in order to provide workers with speedy assistance, the Irish authorities decided to initiate the implementation of the personalised services to the affected workers on 22 May 2015, well ahead of the decision on the granting of EGF support for the proposed coordinated package. It noted that Ireland is planning five types of measures for redundant workers covered by this application:

1. guidance and career planning and development,
2. EGF Training Grants,

3. Training and Further Education Programmes,
4. Higher Education Programmes,
5. Time Limited Allowances.

It noted that 24.81% of the costs will be used for time limited allowances, which remains much below the maximum allowed 35% of all costs.

It recalled the **importance of improving the employability of all workers** by means of adapted training and the recognition of skills and competences gained throughout a worker's professional career. Members expected the **training on offer in the coordinated package to be adapted** not only to the needs of the dismissed workers but also to the actual business environment. They also noted that the Irish authorities confirm that the eligible actions do not receive assistance from other Union financial instruments.

Smallest number of laid off workers: Parliament regretted that the EGF mobilisation is proposed for only 108 redundant employees. It observed that this proposal aims to mobilise the EGF with effectively the smallest number of laid off workers proposed so far. Lastly, Parliament pointed out that all 108 redundancies are in the economic sector classified as "repair and installation of machinery and equipment", and more specifically aviation jet engines, which renders the workers skilled and adaptable to the labour market.