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

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The Committee on Budgets adopted the report by Alain LAMASSOURE (EPP, FR) on the proposal for a decision of the European Parliament and of the Council on the mobilisation of the European Globalisation Adjustment Fund amounting to EUR 9 894 483 in commitment and payment appropriations to assist France facing redundancies in the air transport sector.

The European Globalisation Adjustment Fund (EGF) provides support to workers made redundant as a result of major structural changes in international trade as a result of globalisation or the global economic and financial crisis. It has a maximum annual budget of EUR 150 million for the period 2014-2020.

French application: France submitted its application for a financial contribution from the EGF under the intervention criteria set out in Article 4(1) of the EGF Regulation following 1 858 redundancies in the air transport sector in the NUTS level 2 regions of Île-de-France and Provence-Alpes-Côte d'Azur in France.

Members agreed that the conditions set out in the EGF Regulation were met and that France is entitled to a financial contribution of **EUR 9 894 483** under that Regulation, which represents 60 % of the total cost EUR 16 490 805.

Reasons for the redundancies: the redundancies are linked to major structural changes in world trade patterns due to globalisation and, more particularly, to the serious economic disruption undergone by the international air transport sector, notably the decline of the Union’s market share in the face of the spectacular rise of three major companies in the Persian Gulf (Emirates, Qatar Airways and Etihad Airways), which receive a very high level of State aid and subsidies and are subject to less restrictive social and environmental regulation than Union companies.

These redundancies that occurred at Air France are expected to have a significant adverse effect on the local economy, which has issues related to long-term unemployment and to the redeployment of workers aged 50 and over.

Package of personalised services: France is planning five types of actions for the redundant workers covered by this application:

- advisory services and vocational guidance for workers;
- vocational training;
- contribution for business recovery or business start-up;
- job search allowance;
- mobility allowance.

Members noted that the income support measures represent the maximum 35 % of the overall package of personalised measures, set out in the EGF Regulation, and that these actions are conditional on the active participation of the targeted beneficiaries in job-search or training activities.

Lastly, Members called on the Commission to urge national authorities to provide more details, in future proposals, on the sectors which have growth prospects and are therefore likely to hire people, as well as to

gather substantiated data on the impact of the EGF funding. The Commission is called on to monitor the implementation of the EGF and to report back to Parliament.