

Mobilisation of the European Globalisation Adjustment Fund: redundancies in the publishing sector in Greece

2018/2240(BUD) - 04/10/2018 - Non-legislative basic document

PURPOSE: to mobilise the European Globalisation Adjustment Fund (EGF) to assist Greece facing redundancies in the publishing sector.

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

CONTENT: 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.

In this context, the Commission examined the application for mobilisation of the EGF for Greece and has concluded the following:

Greece - EGF/2018/003 EL/Attica publishing: on 22 May 2018, Greece submitted an application EGF /2018/003 EL/Attica publishing for a financial contribution from the EGF, following 550 redundancies in the publishing sector in the NUTS level 2 region of Attica with the following enterprises: Lambrakis Press SA, Ethnos Publications SA and Pegasus Magazines Publications.

In order to establish the link between the redundancies the global financial and economic crisis, Greece argues that over the period 2008-2016 Greece's per capita real GDP declined by 25 %, (from EUR 22 600 to EUR 17 000) and unemployment increased by almost 16 percentage points (from 7.8 % to 23.6 %).

Because of rising unemployment and decreasing salaries, household income in Greece has been declining since the beginning of the economic and financial crisis in 2008. Household consumption in Greece steadily declined over the period 2008-2013 and has been flat since then. Households have substantially cut all non-essential expenses and reduced some of the essential ones.

Over the period 2011-2017, **daily and periodical press sales plummeted in Greece**. Newspapers sales fell from 144 million copies in 2011 to 57 million in 2017 and magazines sales fell from 60 million copies to 23 million.

The events giving rise to these redundancies are the great cut back in advertising expenditure of big advertisers, such car producers and banks, and the decline in daily and periodical press sales. The decline in sales is also related to readers audiences' shift from printed press to electronic press.

Over the decade 2005-2014, the **publishing sector's turnover fell by 56.4 %**.

Basis of the Greek request: Greece submitted the application under the intervention criteria of Article 4 (1)(b) of the EGF Regulation, which requires at least **500 workers being made redundant over a reference period of nine months** in enterprises operating in the same economic sector defined at NACE Revision 2 Division and located in one region or two contiguous regions defined at NUTS 2 level in a Member State.

The reference period of nine months for the application runs from 29 May 2017 to 28 February 2018. There were 550 redundancies in the economic sector.

All the redundancies occurred in **Attica**. The expected impact in the territory is linked to the difficulties of redeployment due to the scarcity of jobs and the great number of job-seekers, in particular long-term. Attica accounts for 34.7 % of total Greek unemployment and for 36 % of long term unemployment.

The **personalised services** to be provided to redundant workers include the following actions: (i) occupational guidance; (ii) training, retraining and vocational training; (iii) contribution to business start-up; (iv) job search allowance and training allowance; (v) hiring incentives.

BUDGETARY IMPLICATION: 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 2 308 500**, 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 to the European Parliament and to the Council a proposal for a transfer to the relevant budgetary line for the requested amount.