

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

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PURPOSE: to mobilise the European Globalisation Adjustment Fund (EGF) to help Belgium facing redundancies in the company Swissport Belgium.

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

CONTENT: on 22 December 2020, following redundancies at Swissport Belgium in Belgium, the Belgian authorities submitted an application for a financial contribution from the EGF.

Following the assessment of this application, the Commission has concluded, in accordance with all relevant provisions of the EGF Regulation, that the conditions for a financial contribution from the EGF have been met.

Grounds for the application

Belgium submitted the application under the intervention criterion of Article 4(1)(a) of the EGF Regulation, which requires at least 500 redundancies over a four-month reference period in an enterprise in a Member State, including employees and self-employed persons made redundant or redundant in suppliers and downstream producers of that enterprise.

The application concerns 1468 workers made redundant in the company Swissport Belgium. The redundancies affect the whole of Belgium. The four-month reference period for the application runs from 9 June 2020 to 9 October 2020.

Link between the redundancies and a global financial and economic crisis

To contain the COVID-19 pandemic, Belgium went into lockdown on 18 March 2020. The impact was immediate for the air carriers and enterprises operating at Brussels Airport. In the first week of lockdown (16-22 March), the number of flights at this airport dropped to just 578, a 58% decrease from January 2020. Over the following weeks, the movements of passenger planes at the airport stopped almost completely, except for a limited number of repatriation, medical emergency or diplomatic flights.

Swissport Belgium, one of the airport's two ground handlers, was responsible for 60% of the handling and cleaning services at the airport.

On 9 June 2020, after weeks of ground services being almost non-existent at the airport, Swissport Belgium was declared bankrupt. Moreover, due to the great uncertainty about the short-term recovery of the passenger air transport sector, no enterprise showed any interest in taking over the handling activities of Swissport Belgium. These two related events caused the redundancies for which this application is being made.

The Swissport Belgium redundancies affect workers residing in the whole of the country: Brussels (29%), Flanders (52%) and Wallonia (19%). They are mostly low-skilled and semi-skilled workers and about one third (32.5%) are over 50 years old. Due to rising unemployment, the Belgian authorities fear that reemployment will be even more difficult for these workers.

Beneficiaries

All redundant workers (1468) should be covered by the measures.

The personalised services to be provided to redundant workers include the following actions: (i) information, job search assistance and vocational guidance; (ii) specific training to cater for the worker's needs; (iii) on-the-job training; (iv) contribution to business start-up or self-employment of up to EUR 15 000; (v) incentive measures and job search and training allowances.

The proposed actions constitute active labour market measures and do not substitute passive social protection measures.

The estimated total costs are EUR 6 198 708, comprising expenditure for personalised services of EUR 5 977 108 and expenditure for preparatory, management, information and publicity, control and reporting activities of EUR 221 600.

Budgetary proposal

The EGF shall not exceed a maximum annual amount of EUR 186 million (2018 prices), as laid down in Council Regulation (EU, Euratom) 2020/2093 laying down the multiannual financial framework for the years 2021-2027.

Having examined the application, the Commission proposes to mobilise the EGF for the amount of EUR 3 719 224, representing 60% of the total costs of the proposed actions, in order to provide a financial contribution for the application.