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

2021/0116(BUD) - 07/06/2021 - Budgetary text adopted by Parliament

The European Parliament adopted 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 (EGF), following an application from Finland - EGF/2020/007 FI/Finnair.

Parliament approved the proposal for a decision to mobilise the EGF in order to provide a financial contribution of **EUR 1 752 360** in commitment and payment appropriations from the Union budget for the financial year 2021, in response to the application submitted by Finland which is facing redundancies in the air transport sector.

This contribution represents 60 % of the total cost of EUR 2 920 600, corresponding to expenditure on personalised services of EUR 2 730 600 and expenditure on preparatory, management, information and publicity, monitoring and reporting activities of EUR 190 000.

Link between the redundancies and a global financial and economic crisis

The resolution notes that the COVID-19 pandemic has profoundly affected the airline industry due to travel restrictions that caused international air traffic to fall by 98.9% in April 2020 compared to April 2019, while 64% of aircraft were grounded worldwide. International passenger demand fell by 75.6% in 2020 compared to 2019 levels.

Helsinki Airport is an important hub for air transport. While Finnair had strong financial results before the start of the pandemic, the number of passengers carried by Finnair collapsed by 76.2% and its revenues fell by 73.2% in 2020 compared to 2019, resulting in an operating loss of EUR 464.5 million in 2020.

Finnair had to cut costs to cope with the crisis, which led to the loss of 700 jobs, and almost all of the workforce being furloughed for a part of the year, with furloughs continuing in 2021 for a large share of the workforce;

Eligible beneficiaries

The application for assistance covers a total of **508 workers made redundant by the company Finnair Oyj and a subcontractor**. 500 of the eligible beneficiaries will participate in the measures. 44% of eligible persons are women, with the most affected age group being 30-54 years. The 55-64 age group is the second largest (28.20%) and may face additional difficulties in re-entering the labour market.

The social consequences of the redundancies are expected to be considerable for workers in the Helsinki-Uusimaa region, where Finnair has its operational centre and where the number of unemployed jobseekers rose by 22.5% between February and April 2020.

Personalised services

The personalised services to be provided to workers and self-employed persons include the following actions: individualised support and other preparatory measures, employment and business services,

training, pay subsidy, start-up grants and travel allowances, allocation and relocation costs. The measures should include and support all workers, without discrimination and regardless of their nationality.

Parliament welcomes the **provision of training for beneficiaries**, including courses in areas such as artificial intelligence, digital security and robotics. It also welcomes Finland's use of **pay subsidies** to reduce the payroll costs of beneficiaries, as well as start-up grants to promote the creation of business activities.

Members welcome the fact that Finland has developed the coordinated package of personalised services in consultation with a working group.