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

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The Committee on Budgets adopted the report by Valérie HAYER (Renew Europe, FR) on the proposal for a decision of the European Parliament and of the Council on the mobilisation of the European Globalisation Adjustment Fund for a total of EUR 3 745 264 in commitment and payment appropriations to assist France in supporting displaced workers.

The European Globalisation Adjustment Fund (EGF) is intended to provide additional support to workers suffering from the consequences of major structural changes in world trade patterns. In light of the COVID-19 pandemic and its social and economic consequences, the Commission reinforced the role of the EGF as an emergency tool and allowed for cases directly linked to the pandemic to be financed from the EGF.

French application

France submitted application EGF/2021/005 FR/Airbus for a financial contribution from the EGF, following 508 displacements in the economic sector classified under the NACE Revision 2 division 30 (Manufacture of transport equipment) in the NUTS 2 regions of Midi-Pyrénées (FRJ2) and Pays de la Loire (FRG0) in France, within a reference period for the application from 1 November 2020 to 1 March 2021.

The application relates to 508 displaced workers whose activity has ceased in the Economic and Social Unit (ESU) Airbus Commercial of Airbus (Airbus SE). France expects that 297 out of the total eligible beneficiaries will participate in the measures (targeted beneficiaries).

Members agreed with the Commission that the conditions set out in the EGF Regulation are met and that France is entitled to a financial contribution of EUR 3 745 264 under that Regulation, which represents 85 % of the total cost of EUR 4 406 194, comprising only expenditure for personalised services.

Link between the redundancies and a global financial and economic crisis

In the framework of the COVID-19 pandemic, the general travel restrictions led to a general collapse of commercial aviation, in particular in the passenger flights sector, and according to Airbus the full recovery of the sector is not expected to happen before 2025. Airbus, whose commercial aviation division represents 77 % of the overall turnover, had to reduce by one third its production levels as of April 2020 and thus implement a restructuring plan leading to the dismissal of 4 248 posts in France.

The social impact of the redundancies is expected to be significant for both regions, and that in the first quarter of 2021, the percentage of unemployed persons already stood at 9.4 % in Occitanie and 6.9 % in Pays de la Loire. A large share of the persons effected in the region has a high level of education. In Pays de la Loire, the impact of the aviation crisis on the local economy and the labour market is expected to be less detrimental, due to the high diversification of the regional economy, opportunities are expected to arise in the maritime sector and in renewable energy, which in turn requires adequate reskilling.

Personalised package of services

Members noted that France is planning four types of actions for the displaced workers and self-employed persons:

- start-up grants,

- business creation training,

- allowances for expenditure related to business creation training,

- salary top ups.

Lastly, Members reiterated that assistance from the EGF must not replace actions which are the responsibility of companies, by virtue of national law or collective agreements, or any allowances or rights of the recipients of the EGF allocation to ensure full additionality of the allocation.