Mobilisation of the European Globalisation Adjustment Fund: redundancies in the vending machines wholesale trade in France

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PURPOSE: to mobilise the European Globalisation Adjustment Fund (EGF) to support France in the face of redundancies in the wholesale trade sector (except motor vehicles and motorbikes) in the company Selecta.

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

CONTENT: on 26 July 2021, France submitted an application for a financial contribution from the EGF, following the redundancies in Selecta.

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

Grounds for the application

France submitted the application under the intervention criterion of Article 4(2)(a) of the EGF Regulation, which requires at least 200 workers to be made redundant over a reference period of four months in an enterprise in a Member State.

The application concerns **473 displaced workers whose activity has ceased in Selecta**. The redundancies are spread throughout mainland France. The four-month reference period runs from 1 June 2021 to 1 October 2021.

Events leading to redundancies and closure

Sales by **vending machines** have been hit hard by the economic and financial consequences of the COVID-19 pandemic. In France there are about 600 000 vending machines, 70% in businesses and 30% in public places. According to NAVSA, the French Organisation for Automatic Sales and Services, although vending machines were allowed to continue operating during the pandemic, the sector found itself in a situation of inactivity/limited functioning.

Once the lockdown was softened, machine/site access was eased. However, sanitary measures still lead to interruption or restriction of sales by vending machine. Furthermore, massive teleworking caused a sharp drop in consumption at the workplaces.

According to NAVSA, the sector's turnover in France has fallen by 50-90% in 2020 compared to 2019, putting around 25 000 jobs at risk.

The fall in the number of visitors to places where Selecta’s vending machines are located, following the lockdown, resulted in a drastic fall in turnover per machine. Despite re-negotiating contracts in an attempt to curb loss-making, exacerbated by fixed cost and falling sales, **Selecta recorded operating losses of EUR 60 million in 2020**. In the first half of 2021, turnover improved by 0.4% compared to 2020. However, the turnover is about half (-48,3%) of what it was in 2019.

The region Île-de-France (32%) and the city of Lille (13%) have been most affected by displacements in Selecta.

The number of unemployed people in the Île-de-France region increased by 8.6% (in the fourth quarter of 2020 compared to the previous year), with more than one million registered jobseekers and an unemployment rate of 8.3%. In October 2021, the unemployment rate was 7.6% but the number of jobseekers remains above one million.

Beneficiaries

All 473 redundant workers are expected to be affected. By age group, the under 30s represent 7.6% of the beneficiaries; the 30-54 age group represents 73.6% of the beneficiaries and the over 54s represent 18.8% of the beneficiaries.

The **personalised services** to be provided to redundant workers include the following actions: (i) advisory services and vocations guidance; (ii) psychological support in the context of reorganisation; (iii) tailer-made training and business start-up training; (iv) a business start-up contribution of up to EUR 6 000 for workers returning to work as self-employed; (v) a job search allowance; (vi) a rapid re-employment allowance; (vii) an outplacement allowance; and (viii) a contribution to moving and installation costs.

France has stated that Selecta regularly offers training to its staff in which particular attention is paid to digital skills and the skills required in a resource-efficient economy.

The total estimated cost amounts to EUR 4 793 290; this amount corresponds to expenditure for personalised services for an amount of EUR 4 766 930 and expenditure to finance preparation, management, information and publicity, and monitoring and reporting activities for an amount of EUR 26 360.

Budget proposal

The annual allocation to the EGF does not exceed EUR 186 million (in 2018 prices), as foreseen in the Council Regulation (EU, Euratom) 2020/2093 laying down the multiannual financial framework for the years 2021-2027.

Following the examination of the application, the Commission proposes to mobilise the EGF for an amount of **EUR 4 074 296**, representing 85% of the total cost of the proposed actions, in order to provide a financial contribution for the application.