Basic information

2014/2185(BUD) BUD - Budgetary procedure	Procedure completed
Mobilisation of the European Globalisation Adjustment Fund: redundancies in the air transport sector in France **Subject** 3.20.01 Air transport and air freight 4.15.05 Industrial restructuring, job losses, redundancies, relocations, Globalisation Adjustment Fund (EGF) 8.70.60 Previous annual budgets **Geographical area** France	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
BUDG Budgets	ZANNI Marco (EFDD)	11/11/2014
	Shadow rapporteur FERNANDES José Manuel (PPE) DENANOT Jean-Paul (S&D) JÄÄTTEENMÄKI Anneli (ALDE) NÍ RIADA Liadh (GUE/NGL) VANA Monika (Verts/ALE)	

Committee for opinion	Rapporteur for opinion	Appointed
EMPL Employment and Social Affairs	The committee decided not to give an opinion.	
REGI Regional Development	The committee decided not to give an opinion.	

Council of the European Union

Council configuration	Meetings	Date
Agriculture and Fisheries	3360	2014-12-15

Commission DG	Commissioner

European Commission	Budget	GEORGIEVA Kristalina

Key events

Date	Event	Reference	Summary
11/11/2014	Non-legislative basic document published	COM(2014)0701	Summary
24/11/2014	Committee referral announced in Parliament		
11/12/2014	Vote in committee		
11/12/2014	Budgetary report tabled for plenary	A8-0065/2014	Summary
15/12/2014	Draft budget approved by Council		
16/12/2014	Decision by Parliament	T8-0083/2014	Summary
16/12/2014	Results of vote in Parliament		
16/12/2014	End of procedure in Parliament		
14/01/2015	Final act published in Official Journal		

Technical information

Procedure reference	2014/2185(BUD)
Procedure type	BUD - Budgetary procedure
Procedure subtype	Mobilisation of funds
Other legal basis	Rules of Procedure EP 165
Stage reached in procedure	Procedure completed
Committee dossier	BUDG/8/01994

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE541.647	14/11/2014	
Amendments tabled in committee		PE544.279	04/12/2014	
Budgetary report tabled for plenary, 1st reading		A8-0065/2014	11/12/2014	Summary
Budgetary text adopted by Parliament		T8-0083/2014	16/12/2014	Summary

European Commission

Document type	Reference	Date	Summary
	COM(2014)0701		

Non-legislative basic document		11/11/2014	Summary

Additional information		
Source	Document	Date
European Commission	EUR-Lex	

Final act	
Decision 2015/0044 OJ L 008 14.01.2015, p. 0018	Summary

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

2014/2185(BUD) - 16/12/2014 - Budgetary text adopted by Parliament

The European Parliament adopted by 525 votes to 88, with 87 abstentions, 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, to the amount of **EUR 25 937 813** in commitment and payment appropriations in order to assist France following redundancies in the in the air transport sector.

Parliament recalled that the Union set up legislative and budgetary instruments to provide additional support to workers who are suffering from the consequences of major structural changes in world trade patterns and to assist their reintegration into the labour market.

French application: France submitted application EGF/2013/014 FR/Air France for a financial contribution from the EGF, following 5213 redundancies, with 3886 persons expected to participate in the measures, during and after the reference period from 1 July 2013 to 31 October 2013, linked to a decline in the Union's market share in air transport.

Parliament noted that the conditions set out in Article 2(a) of the EGF Regulation are met. Therefore, **France is entitled to a financial contribution under the EGF Regulation.**

Nature of the redundancies: Parliament considered that the redundancies in Air France are linked to major structural changes in world trade patterns due to globalisation, with the Union market share in air transport falling, notably in the face of a spectacular rise of three major companies in the Persian Gulf, a trend which is aggravated by the global financial and economic crisis. It also noted that the redundancies at Air France are expected to have a negative impact on the Île-de-France region, which is also faced with another mass redundancy as the Peugeot Citroën Automobile (PSA) production plant in Aulnay is being closed entirely in 2014.

Dismissed workers: Parliament noted with regret that the majority of redundant workers are aged between 55 and 64 years and welcomed the differentiated incentive within the business creation contribution measure to recruit workers aged above 55.

Coordinated package of personalised services: Parliament noted that the coordinated package of personalised services to be co-funded includes the following measures for the reintegration of 3886 redundant workers into employment: advisory services and vocational guidance for workers, training, contributions to business creation, regular information and communication activities, redeployment allowances, mobility allowances. It also welcomed the amount of EUR 21 580 020 devoted to the redeployment allowance which will be paid until the end of the ‘congé de reclassement’ and amounts to 70% of the worker's last gross salary.

Parliament noted that the information provided on the coordinated package of personalised services to be funded from the EGF does not include information on complementarity with actions funded by the Structural Funds but refers to a written agreement with the dismissing enterprise to the effect that it will not also receive financial contributions from other Union financial instruments for the same measures. It reiterated its call to the Commission to present a comparative evaluation of those data in its annual reports in order to ensure full respect for the existing regulations and that no duplication of Union-funded services can occur.

Lastly, Parliament reiterated that assistance from the EGF must not replace actions which are the responsibility of companies by virtue of national law or collective agreements nor measures restructuring companies or sectors.

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

2014/2185(BUD) - 17/12/2014 - Final act

PURPOSE: to mobilise the European Globalisation Adjustment Fund (EGF) to assist France following redundancies in its air transport sector.

NON-LEGISLATIVE ACT: Decision (EU) 2015/44 of the European Parliament and of the Council on the mobilisation of the European Globalisation Adjustment Fund, in accordance with 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 (application EGF/2013/014 FR /Air France, from France).

CONTENT: with this Decision, the European Parliament and the Council have decided to mobilise the sum of **EUR 25 937 813** in commitment and payment appropriations from European Globalisation Adjustment Fund within the framework of the general budget of the European Union for the financial year 2014.

This amount shall assist France in respect of redundancies in the enterprise Air France.

Given that this application complies with the requirements for determining the financial contributions as laid down in Regulation (EC) No 1927/2006 (EGF Regulation), the European Parliament and Council have decided to grant the abovementioned amount.

To recall, the European Globalisation Adjustment Fund was established to provide additional support for workers made redundant as a result of major structural changes in world trade patterns due to globalisation and to assist them with their reintegration into the labour market.

Regulation (EU, Euratom) No 1311/2013 laying down the multiannual financial framework for the years 2014-2020 provides that the EGF shall not exceed a maximum annual amount of **EUR 150 million**.

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

2014/2185(BUD) - 11/12/2014 - Budgetary report tabled for plenary, 1st reading

The Committee on Budgets adopted the report by Marco ZANNI (EFDD, IT) on the proposal for a decision of the European Parliament and of the Council on the mobilisation of the European Globalisation Adjustment Fund, to the amount of **EUR 25 937 813** in commitment and payment appropriations in order to assist France following redundancies in the air transport sector.

Members recalled that the Union set up legislative and budgetary instruments to provide additional support to workers who are suffering from the consequences of major structural changes in world trade patterns and to assist their reintegration into the labour market.

French application: France submitted application EGF/2013/014 FR/Air France for a financial contribution from the EGF, following 5213 redundancies, with 3886 persons expected to participate in the measures, during and after the reference period from 1 July 2013 to 31 October 2013, linked to a decline of the Union's market share in air transport. Members noted Notes that the conditions set out in Article 2(a) of the EGF Regulation are met. Therefore, **France is entitled to a financial contribution under the EGF Regulation.**

Members noted that this application is the largest in terms of the requested amount of funding since the launch of EGF. They also considered that several applications of this magnitude may run the risk of depleting the fund not leaving enough funding for applications of more reasonable dimensions.

Members welcomed the fact that, in order to provide workers with speedy assistance, the French authorities decided to initiate the implementation of the personalised services to the affected workers on 6 November 2012, well ahead of the decision and even the application on granting the EGF support for the proposed coordinated package.

Nature of the redundancies: Members considered that the redundancies in Air France are linked to major structural changes in world trade patterns due to globalisation, with the Union market share in air transport falling, notably in the face of a spectacular rise of three major companies of the Persian Gulf, a trend which is aggravated by the global financial and economic crisis. They noted that the redundancies at Air France are expected to have a negative impact on the Ile-de-France region, which is also faced with another mass redundancy as the Peugeot Citroën Automobile (PSA) production plant in Aulnay is being closed entirely in 2014.

A coordinated package of services: Members noted that the coordinated package of personalised services to be co-funded includes following measures for the reintegration of 3886 redundant workers into employment: (i) advisory services and vocational guidance for workers, (ii) training, (iii) contribution for business creation, (iv) regular information and communication activities, (v) redeployment and mobility allowance.

Members also welcomed the amount of EUR 21.58 million devoted to the Redeployment allowance which will be paid until the end of the congé de reclassement and amounts to 70% of the worker's last gross salary. It should be noted that Regulation (EU) No 1309/2013 limits the share of such allowances to 35% of the total EGF amount mobilised for a given case.

Members recalled that funds should help the reintegration of beneficiaries into the labour market instead of providing them with salary replacement after being dismissed.

New EGF: Members welcomed the adoption of the new EGF which reflects the agreement reached between the Parliament and the Council to reintroduce the crisis mobilisation criterion, to increase Union financial contribution to 60% of the total estimated cost of proposed measures, to increase efficiency for the treatment of EGF applications in the Commission and by the Parliament and the Council by shortening time for assessment and approval, to widen eligible actions and beneficiaries by introducing self-employed persons and young people and to finance incentives for setting up own businesses.

They recalled the importance of improving the **employability of all workers** by means of adapted training and the recognition of skills and competences gained throughout a worker's professional career.

They stressed that, in accordance with Article 6 of the EGF Regulation, it shall be ensured that the EGF supports the reintegration of individual redundant workers into stable employment and that assistance from the EGF must not replace actions which are the responsibility of companies by virtue of national law or collective agreements nor measures restructuring companies or sectors.

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

2014/2185(BUD) - 11/11/2014 - Non-legislative basic document

PURPOSE: to mobilise the European Globalisation Adjustment Fund (EGF) to assist France following redundancies in its air transport sector.

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

CONTENT: Article 12 of Council Regulation (EU, Euratom) No 1311/2013 laying down the multiannual financial framework for the years 2014-2020 provides that the EGF shall not exceed a maximum annual amount of **EUR 150 million** (2011 prices) over and above the relevant headings of the financial framework.

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 (the 'EGF Regulation').

The Commission examined the application for mobilisation of the EGF to assist France and concluded the following:

France: EGF/2013/014 FR/Air France: on 20 December 2013, France submitted application EGF/2013/014 FR/Air France for a financial contribution from the EGF, following redundancies in Air France in France. The application was supplemented by additional information up to 24 July 2014.

In order to establish the link between the redundancies and major structural changes in world trade patterns due to globalisation, France argues that although globally, the international air transport market is still dominated by European airlines, this sector has undergone serious economic disruption, in particular a decline of the EU's market share.

Over the period 2008-2012, the global traffic increased by 4.6% per year. However, the air traffic between Europe and the rest of the world is growing at a slower pace (2.4%) which has led to a decrease of the EU-27's market share in air transport measured in revenue passenger-kilometres (RPK). Available data for 2013 indicate that the trend shown for the period 2008-2012 continues.

The period 2008-2012 was difficult for the three largest airlines in Europe Lufthansa, Air France-KLM and IAG, all of them show losses at least in two years out of the five years considered. The Air France-KLM group situation is particularly difficult because of its financial situation. Faced with a high debt and an insufficient stock market capitalization (less than the value of its fleet) Air France could not efficiently react to the loss of market share in international air transport, which ended in a plan of several thousands of voluntary departures agreed with the workers and employees representatives.

France submitted this application under the intervention criteria of Article 2(a) of Regulation (EC) No 1927/2006, which requires at least 500 redundancies over a four-month period in an enterprise in a Member State, including workers made redundant in its suppliers and downstream producers.

The application cites 1019 redundancies in Air France during the four-month reference period from 1 July 2013 to 31 October 2013 and a further 4 194 redundancies outside the reference period, but related to the same collective redundancies procedure. All of these redundancies were calculated in accordance with the second paragraph of Article 2 of Regulation (EC) No 1927/2006.

After a thorough examination of this application, the Commission has concluded in accordance with Article 10 of Regulation (EC) No 1927/2006 that the conditions for a financial contribution under this Regulation are met.

On the basis of the application from France, the proposed contribution from the EGF to the coordinated package of personalised services (including expenditure to implement EGF) is **EUR 25 937 813**, representing 50% of the total cost.

FINANCIAL IMPLICATION: considering the maximum possible amount of a financial contribution from the EGF under Article 12 of Council Regulation (EU, Euratom) No 1311/2013, as well as the scope for reallocating appropriations, the Commission proposes to mobilise the EGF for the total amount referred to above.

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.

The Commission presents separately a transfer request in order to enter in the 2014 budget specific commitment appropriations, as required in Point 13 of the Interinstitutional Agreement of 2 December 2013.