Basic information

2015/2212(BUD) BUD - Budgetary procedure	Procedure completed
Mobilisation of the European Globalisation Adjustment Fund: redundancies in the air transport sector in Italy **Subject** 3.20.01 Air transport and air freight 4.15.05 Industrial restructuring, job losses, redundancies, relocations, Globalisation Adjustment Fund (EGF) 8.70.55 2015 budget	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
BUDG Budgets	VANA Monika (Verts/ALE)	03/09/2015
	Shadow rapporteur NOVAKOV Andrey (PPE) VIOTTI Daniele (S&D) KÖLMEL Bernd (ECR) JÄÄTTEENMÄKI Anneli (ALDE) NÍ RIADA Liadh (GUE/NGL) ZANNI Marco (EFDD)	

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
Employment, Social Policy, Health and Consumer Affairs	3412	2015-10-05

European Commission

Commission DG	Commissioner
Budget	GEORGIEVA Kristalina

Key events

Date	Event	Reference	Summary
07/08/2015	Non-legislative basic document published	COM(2015)0397	Summary
07/09/2015	Committee referral announced in Parliament		
29/09/2015	Vote in committee		
30/09/2015	Budgetary report tabled for plenary	A8-0274/2015	Summary
05/10/2015	Draft budget approved by Council		
06/10/2015	Decision by Parliament	T8-0335/2015	Summary
06/10/2015	Results of vote in Parliament		
06/10/2015	End of procedure in Parliament		
20/10/2015	Final act published in Official Journal		

Technical information

Procedure reference	2015/2212(BUD)
Procedure type	BUD - Budgetary procedure
Procedure subtype	Mobilisation of funds
Stage reached in procedure	Procedure completed
Committee dossier	BUDG/8/04334

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE567.624	08/09/2015	
Amendments tabled in committee		PE567.783	24/09/2015	
Budgetary report tabled for plenary, 1st reading		A8-0274/2015	30/09/2015	Summary
Budgetary text adopted by Parliament		T8-0335/2015	06/10/2015	Summary

European Commission

Document type	Reference	Date	Summary
Non-legislative basic document	COM(2015)0397	07/08/2015	Summary

Additional information		
Source	**Document**	**Date**
European Commission	EUR-Lex	

Final act	
Decision 2015/1870 OJ L 275 20.10.2015, p. 0026	Summary

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

2015/2212(BUD) - 30/09/2015 - Budgetary report tabled for plenary, 1st reading

The Committee on Budgets adopted the report by Monika VANA (Greens/EFA, AT) on the proposal for a decision of the European Parliament and of the Council on the mobilisation of the European Globalisation Adjustment Fund for an amount of EUR 1 414 848 in commitment and payment appropriations in order to assist Italy following redundancies in its 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.

Italian application: Italy submitted application EGF/2015/004 IT/Alitalia for a financial contribution from the EGF following 1 249 redundancies in *Gruppo Alitalia*, operating in the NACE Rev. 2 division 51 ('Ait transport') in the NUTS level 2 region of Lazio. Members noted that the conditions set out in Article 4(1)(a) of the EGF Regulation are met. Therefore, Italy is entitled to a financial contribution of EUR 1 414 848 under that Regulation.

Nature of the redundancies: Members noted that the international air transport market has undergone serious economic disruption, in particular a decline in the Union's market share and a huge increase in the number of passengers carried by Gulf and Turkish carriers that has occurred at the expense of European companies such as Alitalia.

A package of personalised services: Members noted that the Italian authorities decided to initiate the implementation of the personalised services to the affected workers on 1 April 2015, well ahead of the decision on the granting the EGF support for the proposed coordinated package. Italy is planning five types of measures for redundant workers covered by this application: (i) intake and skill assessment, (ii) active job search support, (iii) training, (iv) reimbursement of mobility costs, and (v) hiring benefits for over 50s.

The allowances and incentives are limited to mobility costs and hiring benefits and will stay below the allowed maximum amount of 35% of the total costs for the coordinated package of personalised services, as set out in the EGF Regulation.

Members welcomed that the coordinated package of personalised services has been drawn up in consultation with the social partners, the accredited agencies which provide job search support and the workers and that the accredited agencies providing active job-search support to the workers are paid on the basis of the results achieved.

The Italian authorities confirmed that the eligible actions do not receive assistance from other Union financial instruments. In this regard, Members reiterated their call to the Commission to present a comparative evaluation of those data in its annual reports in order to ensure full respect for existing regulations and that no duplication of Union-funded services can occur.

Lastly, Members appreciated the improved procedure put in place by the Commission, following the Parliament's request for the accelerated release of grants and noted the time pressure that the new timetable implies and the potential impact on the effectiveness of case instruction.

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

2015/2212(BUD) - 06/10/2015 - Budgetary text adopted by Parliament

The European Parliament adopted by 605 votes to 77, with 12 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 for an amount of **EUR 1 414 848** in commitment and payment appropriations in order to assist Italy following redundancies in its 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.

Italian application: Italy submitted application EGF/2015/004 IT/Alitalia for a financial contribution from the EGF following 1 249 redundancies in *Gruppo Alitalia*, operating in the NACE Rev. 2 division 51 ('Ait transport') in the NUTS level 2 region of Lazio. Parliament noted that the conditions set out in Article 4(1)(a) of the EGF Regulation are met. Therefore, **Italy is entitled to a financial contribution under that Regulation**.

Nature of the redundancies: Parliament noted that the international air transport market has undergone serious economic disruption, in particular a decline in the Union's market share and a huge increase in the number of passengers carried by Gulf and Turkish carriers that has occurred at the expense of European companies such as Alitalia.

The resolution stressed that, although employment in Lazio has been affected by the effects of the economic and financial crisis to a lesser extent then employment at national level, each additional increase in unemployment puts the CIG benefit system under pressure.

A package of personalised services: Members noted that the Italian authorities decided to initiate the implementation of the personalised services to the affected workers on 1 April 2015, well ahead of the decision on the granting the EGF support for the proposed coordinated package.

Italy is planning five types of measures for redundant workers covered by this application:

- intake and skill assessment,
- active job search support,
- training,
- reimbursement of mobility costs, and
- hiring benefits for over 50s.

The allowances and incentives are limited to mobility costs and hiring benefits and will stay below the allowed maximum amount of 35% of the total costs for the coordinated package of personalised services, as set out in the EGF Regulation.

Parliament welcomed the focus on active job search and training measures proposed by the Italian authorities, including the re-employment scheme targeting dismissed workers over 50 years of age.

Members also welcomed that the coordinated package of personalised services has been drawn up in consultation with the social partners, the accredited agencies which provide job search support and the workers and that the accredited agencies providing active job-search support to the workers are paid on the basis of the results achieved.

The Italian authorities confirmed that the eligible actions do not receive assistance from other Union financial instruments. In this regard, Parliament 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 existing regulations and that no duplication of Union-funded services can occur.

Lastly, Parliament appreciated the improved procedure put in place by the Commission, following the Parliament's request for the accelerated release of grants and noted the time pressure that the new timetable implies and the potential impact on the effectiveness of case instruction.

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

2015/2212(BUD) - 07/08/2015 - Non-legislative basic document

PURPOSE: to mobilise the European Globalisation Adjustment Fund (EGF) to assist Italy 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 Commission examined the application for mobilisation of the EGF to assist Italy and concluded the following:

Italy:EGF/2015/004 IT/Alitalia: on 24 March 2015, Italy submitted application EGF/2015/004 IT/Alitalia for a financial contribution from the EGF, following redundancies in *Gruppo Alitalia* in Italy.

Italy submitted its application within **12 weeks** of the date on which the intervention criteria set out in the EGF Regulation were met. The deadline of 12 weeks of the receipt of the complete application within which the Commission should finalise its assessment of the application's compliance with the conditions for providing a financial contribution expires on 11 August 2015.

In order to establish the link between the redundancies and major structural changes in world trade patterns due to globalisation, Italy 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.

Europe grew by 3.8% in 2013 and 5.7% in 2014 compared to the previous year, below the world average (5.2% and 6.3% respectively), and accounts for 38% of the world traffic (measured in RPK), one percentage point less than in 2012. The Middle East region remains the fastest growing in the world, expanding by 10.9% in 2013 and 13.4% in 2014 and accounting for 14% of world international traffic.

The huge increase in the number of passengers carried from/to Italy by the Gulf carriers and Turkish airlines was made at the expense of Alitalia. The decrease in the number of passengers transported in 2014 back to the figures in 2010, which represent a decline by 3.6% compared to 2013 and by 6.4% compared with 2012 coupled with the losses accumulated since the full privatisation of Alitalia in 2009, which in Q1 2014 were EUR 1 137 million are the events giving rise to these redundancies in *Gruppo Alitalia* for which Italy has requested the EGF support.

Basis of the Italian application: Italy submitted the application under the intervention criteria of Article 4(1)(a) of the EGF Regulation, which requires at least 500 workers being made redundant over a reference period of four months in an enterprise in a Member State, including workers made redundant by suppliers and downstream producers and/or selfemployed persons whose activity has ceased.

The reference period of four months for the application runs from 31 August 2014 to 30 December 2014. During the reference period 1 247 workers were made redundant in *Gruppo Alitalia*.

In view of the Italian request, it is proposed to mobilise the EGF for the amount of **EUR 1 414 848** to make a contribution to the package of personalised services.

BUDGETARY IMPLICATION: having examined the application in respect of the conditions set out in Article 13(1) of the EGF Regulation, and having taken into account the number of targeted beneficiaries, the proposed actions and the estimated costs, the Commission proposes to mobilise the EGF for the amount of EUR 1 414 848, representing 60% of the total costs of the proposed actions, in order to provide a financial contribution for the application.

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.

At the same time as it presents this proposal for a decision to mobilise the EGF, the Commission will present to the European Parliament and to the Council a proposal for a transfer to the relevant budgetary line for the required amount.

At the same time as it adopts this proposal for a decision to mobilise the EGF, the Commission will adopt a decision on a financial contribution, by means of an implementing act, which will enter into force on the date at which the European Parliament and the Council adopt the proposed decision to mobilise the EGF.

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

2015/2212(BUD) - 06/10/2015 - Final act

PURPOSE: to mobilise the European Globalisation Adjustment Fund (EGF) to come to the aid of Italy following redundancies in its civil aviation sector.

NON-LEGISLATIVE ACT: Decision (EU) 2015/1870 of the European Parliament and of the Council on the mobilisation of the European Globalisation Adjustment Fund (application from Germany — EGF/2015/004 IT/Ford Alitalia).

CONTENT: with this Decision, the European Parliament and Council decide to mobilise the sum of **EUR 1 414 848** in commitment and payment appropriations from the European Globalisation Adjustment Fund for the general budget for the financial year 2015.

This sum is intended to assist Germany following redundancies in Gruppo Alitalia in Italy.

Noting that the application complies with the requirements for determining a financial contribution from the EGF as laid down in Regulation (EU) No 1309/2013 (EGF Regulation 2014-2020), Parliament and Council decided to respond by granting the above amount.

To recall, the European Globalisation Adjustment Fund aims to provide support for workers made redundant and self-employed persons whose activity has ceased as a result of major structural changes in world trade patterns due to globalisation, as a result of a continuation of the global financial and economic crisis, or as a result of a new global financial and economic crisis, and to assist them with their reintegration into the labour market.

The EGF is not to exceed a maximum annual amount of **EUR 150 million** as laid down in Council Regulation (EU, Euratom) No 1311/2013.

ENTRY INTO FORCE: 20.10.2015. The Decision is applicable from 6.10.2015.