Basic information

2018/2059(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) 8.70.58 2018 budget **Geographical area** France	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
BUDG Budgets	LAMASSOURE Alain (PPE)	26/04/2018
	Shadow rapporteur THOMAS Isabelle (S&D) JÄÄTTEENMÄKI Anneli (ALDE)	

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
General Affairs	3629	2018-06-26

European Commission

Commission DG	Commissioner
Employment, Social Affairs and Inclusion	THYSSEN Marianne

Key events

Date	Event	Reference	Summary
23/04/2018	Non-legislative basic document published	COM(2018)0230	Summary
02/05/2018	Committee referral announced in Parliament		
19/06/2018	Vote in committee		
20/06/2018	Budgetary report tabled for plenary	A8-0210/2018	Summary
26/06/2018	Draft budget approved by Council		
03/07/2018	Decision by Parliament	T8-0272/2018	Summary
03/07/2018	Results of vote in Parliament		
07/08/2018	Final act published in Official Journal		

Technical information

Procedure reference	2018/2059(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/8/12935

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE621.117	02/05/2018	
Amendments tabled in committee		PE622.120	18/05/2018	
Budgetary report tabled for plenary, 1st reading		A8-0210/2018	20/06/2018	Summary
Budgetary text adopted by Parliament		T8-0272/2018	03/07/2018	Summary

European Commission

Document type	Reference	Date	Summary
Non-legislative basic document	COM(2018)0230	23/04/2018	Summary

Additional information

Source	Document	Date

European Commission	EUR-Lex	

Final act	
Decision 2018/1093 OJ L 200 07.08.2018, p. 0044	Summary

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

2018/2059(BUD) - 03/07/2018 - Budgetary text adopted by Parliament

The European Parliament adopted, by 549 votes to 88, with 39 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 (application submitted by France - EGF/2017/009 EN Air France).

Parliament approved the proposal for a decision to mobilise the EGF with a view to granting, within the general budget of the Union for the financial year 2018, a **financial contribution of EUR 9 894 483** in commitment and payment appropriations in response to an application from France facing redundancies in the air transport sector.

This amount represents **60 %** of the total cost of EUR 16 490 805, comprising expenditure for personalised services of EUR 16 410 805 and expenditure for preparatory, management, information and publicity, control and reporting activities of EUR 80 000.

As a reminder, the application for financial assistance from the EGF was submitted by France on 23 October 2017, following **1 858 redundancies at Air France in France**, in the Île-de-France and Provence-Alpes-Côte d'Azur regions.

Parliament noted the following points:

Reasons for the redundancies: the redundancies are linked to major structural changes in world trade patterns due to globalisation and, more particularly, to the serious economic disruption undergone by the international air transport sector, notably the decline of the Union's market share in the face of the spectacular rise of three major companies in the Persian Gulf (Emirates, Qatar Airways and Etihad Airways), which receive a very high level of State aid and subsidies and are subject to less restrictive social and environmental regulation than Union companies.

These redundancies are expected to have a significant adverse effect on the local economy, which has issues related to long-term unemployment and to the redeployment of workers aged 50 and over.

Measures envisaged: France is planning **five types of actions** for the redundant workers covered by this application: (i) advisory services and vocational guidance for workers; (ii) vocational training; (iii) contribution for business recovery or business start-up; (iv) job search allowance; (v) mobility allowance.

Income support measures represent the maximum 35 % of the overall package of personalised measures, set out in the EGF Regulation.

Parliament welcomed the way in which the co-ordinated package of personalised services has been drawn up in consultation with the representatives of the targeted beneficiaries and the social partners as well as the agreements between Air France, unions and the Central Works Council which ensured that all departures were voluntary. It called on Air France to ensure the necessary high-quality social dialogue.

Members recalled that the design of the coordinated package of personalised services should anticipate future labour market perspectives and required skills and should be compatible with the shift towards a resource-efficient and sustainable economy.

The Commission was asked to urge national authorities to provide more details, in future proposals, on the sectors which have growth prospects and are therefore likely to hire people, as well as to gather substantiated data on the impact of the EGF funding, in particular on the quality of jobs and the reintegration rate achieved through the EGF.

Lastly, Members called on Parliament and the Council to start negotiations in autumn 2018 on the Commission's legislative proposal of 8 June 2017 to safeguard competition in air transport.

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

2018/2059(BUD) - 23/04/2018 - Non-legislative basic document

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

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

CONTENT: 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.

In this context, the Commission has examined the application for mobilisation of the EGF for France and has concluded the following:

France - Application EGF/2017/009 EN/Air France: the application for a financial contribution from the EGF, submitted by France on 23 October 2017, concerns **1 858 workers** made redundant by Air France, mainly in the NUTS 2 regions of Île-de-France and Provence-Alpes-Côte d'Azur.

In order to establish the link between the redundancies and major structural changes in world trade patterns due to globalisation, France argues that the **international air transport sector has undergone serious economic disruption, in particular a decline of the EU's market share**. Since 2008, traffic between Europe and the rest of the world has been growing more slowly than global traffic. Between 2008-2015, annual growth in the traffic 'Europe-Rest of the World', was 3.4% which is 36 % lower than the average annual growth in world traffic.

The events giving rise to these redundancies are the **massive increase in the capacity of subsidized airlines based in countries with much better investment and production conditions** (Qatar and United Arab Emirates) has resulted in a sharp decline of EU companies in terms of market share.

Between 2008 and 2016, the evolution of the market shares origin-destination between Europe, on the one hand, and sub-Saharan Africa, the Middle East and Asia, on the other hand, shows a regression of EU companies by nearly 10 points to the benefit of Emirates, Qatar Airways, Etihad and Turkish Airlines.

The main purpose of Emirates, Qatar Airways and Etihad Airways is to significantly increase the power of their correspondence system on 'long-haul'–'long-haul' flows to capture via their hubs in Dubai, Doha and Abu Dhabi a preponderant share of flows between Europe, Africa and the Americas on the one hand, and Asia and Oceania on the other, as well as between Europe and Africa.

The European companies and their correspondence platforms have been particularly challenged on flows representing the largest volumes of traffic like Europe-Asia and on high-growth flows like Africa-Asia.

Basis of the French application: France 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.

The reference period covered by the application runs from 1 April 2017 to 31 July 2017. The application concerns 1 858 redundant workers. The expected impact in both territories is linked to the **difficulties of redeployment** for workers **aged 50+**. This age group represents 79% of the total number of redundancies.

The measure for which the French authorities seek EGF co-funding is the **redeployment leave**. This measure is intended for workers who, at the time of their voluntary departure, do not yet have any precise plans for redeployment.

France envisages **five types of action** in favour of redundant workers in the context of redeployment leave: (i) vocational guidance and advisory services for workers; (ii) vocational training; (iii) contribution for business recovery or business start-up; (iv) job-search allowance; (v) mobility allowance.

BUDGETARY IMPLICATIONS: following its evaluation of the application, the Commission concluded, in accordance with the relevant provisions of the EGF Regulation, that the conditions for a financial contribution from the EGF were met. It proposed to **mobilise the EGF for an amount of EUR 9 894 483**, representing 60% of the total cost of the actions proposed, in order to provide a financial contribution in response to 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 amount requested.

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

2018/2059(BUD) - 20/06/2018 - Budgetary report tabled for plenary, 1st reading

The Committee on Budgets adopted the report by Alain LAMASSOURE (EPP, FR) on the proposal for a decision of the European Parliament and of the Council on the mobilisation of the European Globalisation Adjustment Fund amounting to EUR 9 894 483 in commitment and payment appropriations to assist France facing redundancies in the air transport sector.

The European Globalisation Adjustment Fund (EGF) provides support to workers made redundant as a result of major structural changes in international trade as a result of globalisation or the global economic and financial crisis. It has a maximum annual budget of EUR 150 million for the period 2014-2020.

French application: France submitted its application for a financial contribution from the EGF under the intervention criteria set out in Article 4(1) of the EGF Regulation following 1 858 redundancies in the air transport sector in the NUTS level 2 regions of Île-de-France and Provence-Alpes-Côte d'Azur in France.

Members agreed that the conditions set out in the EGF Regulation were met and that France is entitled to a financial contribution of **EUR 9 894 483** under that Regulation, which represents 60 % of the total cost EUR 16 490 805.

Reasons for the redundancies: the redundancies are linked to major structural changes in world trade patterns due to globalisation and, more particularly, to the serious economic disruption undergone by the international air transport sector, notably the decline of the Union's market share in the face of the spectacular rise of three major companies in the Persian Gulf (Emirates, Qatar Airways and Etihad Airways), which receive a very high level of State aid and subsidies and are subject to less restrictive social and environmental regulation than Union companies.

These redundancies that occurred at Air France are expected to have a significant adverse effect on the local economy, which has issues related to long-term unemployment and to the redeployment of workers aged 50 and over.

Package of personalised services: France is planning five types of actions for the redundant workers covered by this application:

- advisory services and vocational guidance for workers;
- vocational training;
- contribution for business recovery or business start-up;
- job search allowance;
- mobility allowance.

Members noted that the income support measures represent the maximum 35 % of the overall package of personalised measures, set out in the EGF Regulation, and that these actions are conditional on the active participation of the targeted beneficiaries in job-search or training activities.

Lastly, Members called on the Commission to urge national authorities to provide more details, in future proposals, on the sectors which have growth prospects and are therefore likely to hire people, as well as to gather substantiated data on the impact of the EGF funding. The Commission is called on to monitor the implementation of the EGF and to report back to Parliament.

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

2018/2059(BUD) - 04/07/2018 - Final act

PURPOSE: mobilisation of the European Globalisation Adjustment Fund: redundancies in the air transport sector in France.

NON-LEGISLATIVE ACT: Decision (EU) 2018/1093 of the European Parliament and of the Council on the mobilisation of the European Globalisation Adjustment Fund following an application from France — EGF/2017/009 FR/Air France.

CONTENT: with this Decision, the European Parliament and the Council decide to **mobilise the sum of EUR 9 894 483** in commitment and payment appropriations from the European Globalisation Adjustment Fund (EGF) under the 2018 Union budget.

This sum is being mobilised in response to France's request for EGF funding following **1 858 redundancies in Air France in France**, in the Île-de-France and Provence-Alpes-Côte d'Azur regions. The redundancies are linked to major structural changes in world trade patterns due to globalisation.

This application complies with the conditions for determining the amount of the financial contribution from the EGF in accordance with Regulation (EU) No 1309/2013.

As a reminder, the European Globalisation Adjustment Fund (EGF) 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. The annual allocation of the EGF shall not exceed the maximum annual amount of EUR 150 million for the period 2014-2020.

ENTRY INTO FORCE: 7.8.2018. This Decision shall apply from the date of its adoption, 4.7.2018.