Basic information

2021/0338(BUD) BUD - Budgetary procedure	Procedure completed
Mobilisation of the European Globalisation Adjustment Fund: redundancies in the air transport sector in Italy **Subject** 3.20.10 Transport undertakings, transport industry employees 4.15.05 Industrial restructuring, job losses, redundancies, relocations, Globalisation Adjustment Fund (EGF) 8.70.51 2021 budget **Geographical area** Italy	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
BUDG Budgets	LEWANDOWSKI Janusz (EPP)	04/11/2021
	Shadow rapporteur GUALMINI Elisabetta (S&D) GOERENS Charles (Renew) VANA Monika (Greens/EFA) RZOŃCA Bogdan (ECR) BONFRISCO Anna (ID) PAPADIMOULIS Dimitrios (The Left)	

Committee for opinion	Rapporteur for opinion	Appointed
EMPL Employment and Social Affairs	Chair on behalf of committee ĎURIŠ NICHOLSONOVÁ Lucia (Renew)	11/11/2021

Council of the European Union

European Commission

Commission DG	Commissioner
Budget	SCHMIT Nicolas

Key events

Date	Event	Reference	Summary
28/10/2021	Non-legislative basic document published	COM(2021)0936	Summary
10/11/2021	Committee referral announced in Parliament		
09/12/2021	Vote in committee		
10/12/2021	Budgetary report tabled for plenary	A9-0346/2021	
14/12/2021	Decision by Parliament	T9-0492/2021	Summary
15/12/2021	Draft budget approved by Council		
14/01/2022	Final act published in Official Journal		

Technical information

Procedure reference	2021/0338(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/9/07589

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE699.287	05/11/2021	
Specific opinion	EMPL	PE699.295	23/11/2021	
Amendments tabled in committee		PE699.310	23/11/2021	
Budgetary report tabled for plenary, 1st reading		A9-0346/2021	10/12/2021	
Budgetary text adopted by Parliament		T9-0492/2021	14/12/2021	Summary

European Commission

Document type	Reference	Date	Summary
Non-legislative basic document	COM(2021)0936	28/10/2021	Summary

Additional information

Source	Document	Date
European Commission	EUR-Lex	

Final act
Decision 2022/0051 OJ L 009 14.01.2022, p. 0041

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

2021/0338(BUD) - 14/12/2021 - Budgetary text adopted by Parliament

The European Parliament adopted by 662 votes to 17, with 18 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 (EGF) for workers made redundant following an application by Italy - EGF/2021/002 IT/Air Italy.

Parliament approved the proposal for a decision to mobilise the EGF to provide a **financial contribution of EUR 3 874 640** in commitment and payment appropriations from the Union budget for the financial year 2021 in response to the application submitted by Italy, which is facing redundancies in the air transport sector.

This contribution represents **85% of the total cost** of EUR 4 558 400, including EUR 4 376 000 for personalised services and EUR 182 400 for EGF implementation.

Events leading to the redundancies

Air Italy has faced various problems since its creation in 2018 following the merger of Meridiana Fly and Air Italy, resulting in losses of EUR 160 million in 2018 and losses of EUR 230 million in 2019. On 11 February 2020, Air Italy's shareholders approved a voluntary liquidation and the cancellation of all operations from 25 February 2020. The collective redundancy procedure for Air Italy's 1 453 workers has been suspended until September 2020 due to the COVID-19 pandemic.

Eligible beneficiaries

Members recalled that the application relates to **466 displaced workers** whose activity has ceased during the reference period in the company Air Italy SpA, while 145 workers were displaced before or after the reference period from 1 September 2020 to 1 January 2021, as a consequence of the same events that triggered the cessations of activity of the displaced workers during the reference period. **The total number of eligible beneficiaries is therefore 611**, almost half of whom are women. The over 54 age group is the second largest (30.77%) and may face additional difficulties in re-integrating the labour market.

The social consequences of the redundancies are expected to be considerable for the Sardinian economy, which was also badly hit by the COVID-19 crisis and where the employment rate fell by 4.6% in 2020, compared to a fall of only 2.0% in Italy as a whole. Due to the pandemic, the number of Sardinian households without labour income increased to 16.5% in 2020 (+3.5% compared to 2019).

Personalised services

Parliament recalled that the personalised services to be provided to workers include the following actions: (i) general information and vocational guidance; (ii) job search assistance, (iii) training; (iv) tutoring for business start-ups; (v) financial contribution to business start-ups, as well as incentives and contribution to specific costs.

Members welcomed the possibility of introducing special time-limited measures within the coordinated package, including in particular the payment of childcare allowances. They also welcomed the fact that training will focus on the green economy, the blue economy, personal services, social and health services, promotion of cultural heritage and cultural activities.

Parliament noted that the social partners had been fully involved in the planning of the measures. It welcomed the fact that the measures were planned to be in line with the Italian National Strategy for Sustainable Development (SNSvS) and that the coordinated package of personalised services was discussed between the regional public employment services and the Regione Sardegna.

In order to minimise the time taken to mobilise the EGF, this Decision should apply from the date of its adoption.

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

2021/0338(BUD) - 28/10/2021 - Non-legislative basic document

PURPOSE: to mobilise the European Globalisation Adjustment Fund (EGF) to help Italy face redundancies in the air transport sector.

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

CONTENT: on 15 July 2021, Italy submitted an application for a financial contribution from the EGF, following redundancies in **Air Italy SpA** in Italy.

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

Grounds for the application

Italy 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 undertaking in a Member State.

The application concerns **466 redundant workers** made redundant in Air Italy SpA. The redundancies occurred in the NUTS 2 region of Sardinia. The four-month reference period runs from 1 September 2020 to 1 January 2021.

Events leading to the redundancies and to the cessation of activity

Since its creation, Air Italy has faced various problems, such as disputes with Alitalia on routes between mainland Italy and Sardinia, or the strong reaction of US airlines that saw Air Italy as a way for Qatar Airways to expand in the US. In addition, the fleet grew less rapidly than expected. Some routes were cancelled shortly after launch and others were announced and never launched.

In 2018, Air Italy's first year of operation, losses amounted to almost EUR 160 million (57% of turnover). In 2019, losses reached EUR 230 million, or 70% of turnover

Air Italy needed EUR 200 million to continue its operations but a new share purchase by Qatar Airways would have made the latter the main shareholder and Air Italy would have lost its EU airline licence.

In February 2020, Air Italy announced that its shareholders had approved a voluntary liquidation and the cancellation of all operations as from 25 February 2020. Following the cessation of all operations, Air Italy initiated a collective redundancy procedure concerning its whole workforce (1 453 employees). However, the procedure was put on hold until September 2020, because of the entry into force of the decree law preventing the displacement of workers during the early months of the pandemic.

The pandemic crisis has led to a significant deterioration of the Sardinian labour market, which due to its insularity away from the mainland, constitutes a small labour market.

Beneficiaries

In addition to the 466 workers made redundant during the reference period, the eligible beneficiaries include 145 redundant workers whose activity ceased before or after the four-month reference period. Therefore, the total number of eligible beneficiaries amounts to **611**.

The **personalised services** to be provided to the redundant workers include the following actions: (i) general information and vocational guidance; (ii) job search assistance; (iii) training to avoid a downgrading of the professional profile of pilots, flight crews and aircraft maintenance technicians; (iv) support and contribution to the creation of a business of up to EUR 22 000 per person; (v) hiring incentives for companies recruiting former Air Italy workers and reimbursement of mobility costs.

The measures were planned in line with the Italian national strategy for sustainable development. The training will improve the digital skills of the redundant workers.

The estimated total costs are EUR 4 558 400, comprising expenditure for personalised services of EUR 4 376 000 and expenditure for preparatory, management, information and publicity, control and reporting activities of EUR 182 400.

Budgetary proposal

The maximum annual amount should not exceed EUR 186 million (in 2018 prices), as laid down in Council Regulation (EU, Euratom) No 2020/2093 laying down the multiannual financial framework for the years 2021 to 2027.

Having examined the application, the Commission proposes to **mobilise the EGF for EUR 3 874 640**, representing 85 % of the total costs of the proposed measures, to provide a financial contribution for the application.