Basic information

2021/0363(BUD) BUD - Budgetary procedure	Procedure completed
Mobilisation of the European Globalisation Adjustment Fund: redundancies in the air transport industry in France **Subject** 3.20.01 Air transport and air freight 4.15.05 Industrial restructuring, job losses, redundancies, relocations, Globalisation Adjustment Fund (EGF) 8.70.52 2022 budget **Geographical area** France	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
BUDG Budgets	HAYER Valérie (Renew)	20/12/2021
	Shadow rapporteur HOHLMEIER Monika (EPP) GARDIAZABAL RUBIAL Eider (S&D) VANA Monika (Greens/EFA) RZOŃCA Bogdan (ECR) OMARJEE Younous (The Left)	

Committee for opinion	Rapporteur for opinion	Appointed
EMPL Employment and Social Affairs	Chair on behalf of committee PÎSLARU Dragoş (Renew)	25/01/2022

Council of the European Union

European Commission

Commission DG	Commissioner
Employment, Social Affairs and Inclusion	SCHMIT Nicolas

Key events

Date	Event	Reference	Summary
19/11/2021	Non-legislative basic document published	COM(2021)0698	Summary
17/01/2022	Committee referral announced in Parliament		
01/02/2022	Vote in committee		
02/02/2022	Budgetary report tabled for plenary	A9-0013/2022	Summary
16/02/2022	Decision by Parliament	T9-0028/2022	Summary
16/02/2022	Draft budget approved by Council		
03/03/2022	Final act published in Official Journal		

Technical information

Procedure reference	2021/0363(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/9/07987

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE703.113	11/01/2022	
Amendments tabled in committee		PE703.258	18/01/2022	
Specific opinion	EMPL	PE703.274	25/01/2022	
Budgetary report tabled for plenary, 1st reading		A9-0013/2022	02/02/2022	Summary
Budgetary text adopted by Parliament		T9-0028/2022	16/02/2022	Summary

European Commission

Document type	Reference	Date	Summary
Non-legislative basic document	COM(2021)0698	19/11/2021	Summary

Additional information

Source	Document	Date
European Commission	EUR-Lex	

Final act

Decision 2022/0359
OJ L 068 03.03.2022, p. 0015

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

2021/0363(BUD) - 19/11/2021 - Non-legislative basic document

PURPOSE: to mobilise the European Globalisation Adjustment Fund (EGF) to support France in the face of redundancies in the manufacture of other transport equipment at Airbus.

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 Airbus in France.

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

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 **508 redundant workers** made redundant in the Airbus Commercial Economic and Social Unit (ESU) of Airbus (Airbus SE). The redundancies carried out by the company are located in the Midi-Pyrénées and Pays de la Loire regions. The four-month reference period runs from 1 November 2020 to 1 March 2021.

Events leading to the displacements and cessation of operations

Commercial Aircraft Division of Airbus is a leading manufacturer of commercial aircraft. Because of the general collapse of commercial aviation, in particular passenger flights, due to the Covid-19 pandemic, the activity of the **Commercial Aircraft Division of Airbus is facing severe difficulties**. Airbus' commercial aircraft production generated 67 % of the overall turnover of Airbus. As of April 2020, the production plans had to be adapted to the crisis situation, leading to **one third reduction of production levels**.

To adapt its workforce to this sudden change in production plans, Airbus had to implement a restructuring plan. As part of a company-wide collective agreement, 4 248 jobs were cut in France alone.

As a first resort, Airbus made use of the provisions of the new emergency legislation adopted in France in response to the pandemic. The French government launched a programme to support the sector. In addition, they launched a temporary programme of long-term partial activity which allows companies facing difficulties to reduce the working time of their employees. Although the number of redundancies could be reduced significantly, 2 246 jobs were lost.

The French authorities explain that the regions concerned are particularly affected by the crisis following the Covid-19 pandemic. Both regions were facing rising unemployment even before the crisis. As of 2018, the unemployment rates had started to slightly decrease, when the crisis hit in 2021. In the first quarter of 2021, unemployment stood at 6.9 % in Pays de la Loire and 9.4 % in Occitanie.

In particular in Occitanie, the dismissals are expected to have a significant impact on the labour market and the economy. The city of Toulouse and the surrounding region is the major aeronautical cluster in Europe. 110 000 people are employed in the sector. The region is heavily dependent on aeronautics as the most important sector in the region.

In Pays de la Loire, the impact of the aviation crisis on the local economy and the labour market is expected to be less detrimental, due to the high diversification of the regional economy. However, there aren't many employment opportunities for aeronautical engineers and technicians. As in Occitanie, the age of the workers concerned is likely to hamper reemployment. 11 % of affected staff are above 55.

Beneficiaries

An estimated **297** redundant workers are expected to participate in the measures.

The personalised services to be provided to the redundant workers include the following actions: (i) business start-up grants of EUR 15 000 per beneficiary to help them start their own businesses; (ii) business creation training for beneficiaries who have applied for the business start-up scheme; (iii) expenditure related to business creation training; (iv) salary top-ups offered as an incentive to accept new employment, even if the wage is lower than in the previous job.

France informed that the dismissing enterprise regularly offers trainings for its staff in which particular attention is paid to digital skills and skills required in a resource-efficient economy.

The total estimated cost amounts to **EUR 4 406 194**; this amount corresponds only to expenditure for personalised services and does not include expenditure for preparation, management, information and publicity, monitoring and reporting activities.

Budgetary proposal

The EGF should not exceed a maximum annual amount of 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 the amount of EUR 3 745 264**, representing 85 % of the total costs of the proposed actions, in order to provide a financial contribution for the application.

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

2021/0363(BUD) - 16/02/2022 - Budgetary text adopted by Parliament

The European Parliament adopted by 655 votes to 23, with 14 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 displaced workers following an application from France - EGF/2021/005 EN/Airbus.

Parliament approved the proposal for a decision to mobilise the EGF to provide a financial contribution of **EUR 3 745 264** in commitment and payment appropriations from the Union budget for the financial year 2021 in response to an application from France, which is facing redundancies in the manufacture of other transport equipment at Airbus in the Midi-Pyrénées and Pays de la Loire regions.

This contribution represents 85% of the total cost of EUR 4 406 194, which includes only expenditure on personalised services.

Events leading to the redundancies

In the framework of the COVID-19 pandemic, the general travel restrictions led to a general collapse of commercial aviation, in particular in the passenger flights sector, and according to Airbus the full recovery of the sector is not expected to happen before 2025. Airbus, whose commercial aviation division represents 77 % of the overall turnover, had to reduce by one third its production levels as of April 2020 and thus implement a restructuring plan leading to the dismissal of 4 248 posts in France.

Members welcomed the measures undertaken by French national and local public authorities, such as the provisions of the new emergency legislation, the support plan for the aeronautics industry, the long-term part-time activity programme, and the top-up of the Ader 4 plan which significantly reduced the number of dismissals (by 2 002 posts).

Beneficiaries

The application relates to **508 displaced workers** whose activity has ceased in the Economic and Social Unit (ESU) Airbus Commercial of Airbus (Airbus SE). France expects that **297 out of the total eligible beneficiaries** will participate in the measures. 13.5% of the targeted beneficiaries are over 54 years old and 74.7% of them are between 30 and 54 years old.

Members recalled that the social impact of the redundancies is likely to be considerable for both regions and that the unemployment rate was already 9.4% in Occitanie and 6.9% in Pays de la Loire in the first quarter of 2021.

In Occitanie, the dismissals are expected to have a significant impact on the labour market, as the region is heavily dependent on aeronautics as the most important sector and Airbus is the largest private employer in the region. In Pays de la Loire, the impact of the aviation crisis on the local economy and the labour market is expected to be less detrimental, due to the high diversification of the regional economy.

Personalised services

Parliament recalled that the personalised services to be provided to employees and self-employed persons include the following actions: (i) business start-up grants; (ii) business creation training; (iii) allowances to cover the costs of business creation training; (iv) salary top ups. Members considered that these personalised services should extend over an appropriate period of time depending on the nature of the project.

Parliament welcomed the fact that the financial assistance has been swiftly provided to the beneficiaries and that the coordinated package of personalised services was the result of a **good collective bargaining agreement** between Airbus and the workers' representatives, in consultation with the staff and trade union representatives. It called for the social partners to be involved in the implementation and evaluation of the service package.

Lastly, Members stressed that 98.7% of the financial support is linked to the **creation of start-ups and enterprises**, which will encourage professional reintegration and retraining, improve the competitiveness of the regions concerned and contribute to economic recovery.

In order to keep the mobilisation period of the EGF as short as possible, this Decision should apply from the date of its adoption.

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

2021/0363(BUD) - 02/02/2022 - Budgetary report tabled for plenary, 1st reading

The Committee on Budgets adopted the report by Valérie HAYER (Renew Europe, FR) on the proposal for a decision of the European Parliament and of the Council on the mobilisation of the European Globalisation Adjustment Fund for a total of EUR 3 745 264 in commitment and payment appropriations to assist France in supporting displaced workers.

The European Globalisation Adjustment Fund (EGF) is intended to provide additional support to workers suffering from the consequences of major structural changes in world trade patterns. In light of the COVID-19 pandemic and its social and economic consequences, the Commission reinforced the role of the EGF as an emergency tool and allowed for cases directly linked to the pandemic to be financed from the EGF.

French application

France submitted application EGF/2021/005 FR/Airbus for a financial contribution from the EGF, following 508 displacements in the economic sector classified under the NACE Revision 2 division 30 (Manufacture of transport equipment) in the NUTS 2 regions of Midi-Pyrénées (FRJ2) and Pays de la Loire (FRG0) in France, within a reference period for the application from 1 November 2020 to 1 March 2021.

The application relates to 508 displaced workers whose activity has ceased in the Economic and Social Unit (ESU) Airbus Commercial of Airbus (Airbus SE). France expects that 297 out of the total eligible beneficiaries will participate in the measures (targeted beneficiaries).

Members agreed with the Commission that the conditions set out in the EGF Regulation are met and that France is entitled to a financial contribution of EUR 3 745 264 under that Regulation, which represents 85 % of the total cost of EUR 4 406 194, comprising only expenditure for personalised services.

Link between the redundancies and a global financial and economic crisis

In the framework of the COVID-19 pandemic, the general travel restrictions led to a general collapse of commercial aviation, in particular in the passenger flights sector, and according to Airbus the full recovery of the sector is not expected to happen before 2025. Airbus, whose commercial aviation division represents 77 % of the overall turnover, had to reduce by one third its production levels as of April 2020 and thus implement a restructuring plan leading to the dismissal of 4 248 posts in France.

The social impact of the redundancies is expected to be significant for both regions, and that in the first quarter of 2021, the percentage of unemployed persons already stood at 9.4 % in Occitanie and 6.9 % in Pays de la Loire. A large share of the persons effected in the region has a high level of education. In Pays de la Loire, the impact of the aviation crisis on the local economy and the labour market is expected to be less detrimental, due to the high diversification of the regional economy, opportunities are expected to arise in the maritime sector and in renewable energy, which in turn requires adequate reskilling.

Personalised package of services

Members noted that France is planning four types of actions for the displaced workers and self-employed persons:

- start-up grants,

- business creation training,

- allowances for expenditure related to business creation training,

- salary top ups.

Lastly, Members reiterated that assistance from the EGF must not replace actions which are the responsibility of companies, by virtue of national law or collective agreements, or any allowances or rights of the recipients of the EGF allocation to ensure full additionality of the allocation.