



Employment: Commission proposes €25.9 million from Globalisation Fund for former workers of Air France

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The European Commission has proposed to provide France with €25.9 million from the European Globalisation Adjustment Fund (EGF) to help 3,886 former workers of Air France to find new jobs. Most of the redundancies occurred in the regions of Ile-de-France, Midi-Pyrénées and Provence-Alpes-Côte d'Azur (PACA). The proposal now goes to the European Parliament and the EU's Council of Ministers for approval.

Marianne Thyssen, EU Commissioner for Employment, Social Affairs, Skills and Labour Mobility, commented: *"Many sectors and industries in Europe are going through major structural changes, as a consequence of globalisation. The European Globalisation Fund is a concrete expression of European solidarity. It will continue to help Member States to re-integrate people who have lost their job into the labour market and support them to adapt their skills. Through this fund, we are accompanying workers who experience hardship in the difficult transition to new jobs and I have the intention to maximize its performance during the coming years."*

France applied for support from the EGF following the dismissal of 5,213 workers in Air France. These job losses were the result of the decline of the EU's market share of the international passenger air transport between 2008 and 2013.

The measures co-financed by the EGF would help the 3,886 redundant workers in greater need to find new jobs by providing them with active career guidance, vocational training, contributions to business start-up and the relevant allowances.

The total estimated cost of the package is €51.8 million, of which the EGF would provide half.

Background

Over the period 2008-2012, global air traffic increased by 4.6% per year, as part of a trend of long-term growth observed since 1970. Air traffic between Europe and the rest of the world however grew at a slower pace (2.4%), which led to a decrease of the EU-27's market share in air transport as measured in revenue passenger-kilometres (RPK). In 2013 the same trend continued. Europe grew by 3.8% in 2013 compared to 2012, but below the world average (5.2%), and now accounts for 38% of world traffic (measured in RPK), one percentage point less than in 2012. The Middle East region remains the fastest growing in the world, expanding at 10.9% in 2013 and now accounting for 9% of the world traffic.

The period 2008-2012 was difficult for the largest airlines in Europe; which had losses in at least two of the five years considered. However, Air France, faced with a high level of debt and an insufficient stock market capitalization (less than the value of its fleet) could not efficiently react to the loss of market share in international air transport and ended up cutting several thousands of jobs.

Most of the redundancies are concentrated in Ile-de-France (mainly in Roissy). The regions of Midi-Pyrénées and PACA are also affected although to a lesser extent. The redundancies in Air France will aggravate the unemployment situation, which has already deteriorated as a result of the economic and financial crisis. Between 2008 and 2013, unemployment rose by 38.7% in Ile-de-France, 37.8% in PACA, 47.0% in Midi-Pyrénées and by 44.1% in metropolitan France. In the territory concerned by the redundancies about 40 % of the unemployed persons have been without a job for more than one year and there are seven job-seekers for every job vacancy. Furthermore, Ile-de-France faces another mass redundancy as the Peugeot Citroën Automobile (PSA) production plant in Aulnay is being closed entirely in 2014 (see [IP/2014/994](#)).

More open trade with the rest of the world leads to overall benefits for growth and employment, but it can also cost jobs, particularly in vulnerable sectors and among lower-skilled workers. This is why the Commission first proposed setting up a fund to help those adjusting to the consequences of globalisation. Since starting operations in 2007, the EGF has received 130 applications. Some €536 million has been requested to help more than 116,000 workers. In 2013 alone, it provided more than

€53.5 million in support.

The [Fund continues during the 2014-2020 period](#) as an expression of EU solidarity, with further improvements to its functioning. Its scope includes workers made redundant because of the economic crisis, as well as fixed-term workers, the self-employed, and, by way of derogation until the end of 2017, young people not in employment, education or training (NEETs) residing in regions eligible under the [Youth Employment Initiative](#) (YEI) up to a number equal to the redundant workers supported.

Further information

[EGF website](#)

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