

Mobilisation of the European Globalisation Adjustment Fund: redundancies in warehousing and support activities for transportation in Belgium

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PURPOSE: to mobilise the European Globalisation Adjustment Fund (EGF) to support Belgium in the face of redundancies in the warehousing and support activities for transportation.

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

CONTENT: on 18 October 2022, Belgium submitted an application for a financial contribution from the EGF, following displacements in TNT Express Worldwide (Euro Hub) SRL in Belgium.

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

Belgium 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 relates to 548 displaced workers whose activity has ceased in TNT Express Worldwide (Euro Hub) SRL in the economic sector classified under the NACE Revision 2 division 52 (Warehousing and support activities for transportation). The redundancies made by TNT are located in Liège. The reference period of four months for the application runs from 27 March 2022 to 27 July 2022.

Events leading to the displacements and cessation of operations

On 19 January 2021, TNT Express Worldwide (Euro Hub) SRL – the Belgian subsidiary of the group resulting from the takeover of the Dutch TNT Group by the US Fedex Group in 2016 – announced its intention to dismiss 671 workers and modify the contracts of another 861 workers.

The enterprise plans to use Liège airport as a secondary hub, linked only to some European airports, while Paris-Charles de Gaulle becomes FedEx's primary hub, linked to all European airports, as well as to airports in America, Asia and the Middle East resulted in the decreased number of flights at Liège airport and therefore a reduced workload resulting in redundancies and revised working conditions for hundreds of employees. The changes aim to avoid a duplication of activities and strengthen the position of the group in a context of fierce competition in the sector at European and national level.

The proposal highlights that the unemployment rate in Wallonia (8.7%) is 2.8% higher than the unemployment rate at national level (5.9%). Besides, the employment market in Province Liège is particularly disadvantaged compared with other provinces in Wallonia. Moreover, Province Liège along with Province Hainaut have the highest job demand rate (share of unemployed registered job seekers in the active population) in Wallonia, at 13.8% in March 2022.

Age is associated with difficulties in job search in Province Liège, where those aged 50+ accounted for 27.5% of the job-seekers in March 2022. Almost half (47%) of former TNT workers belong to this age group.

The Walloon authorities argue that the displacements in TNT will have a particular impact on two categories of workers (the low skilled and those aged 50+) that are already disadvantaged in the regional labour market.

Thus, TNT former workers will need additional and targeted support to increase their chances of finding new jobs.

Beneficiaries

All 559 displaced workers are expected to participate in the measures.

The coordinated package to be provided to displaced workers consists of the following measures: (i) information services, occupational guidance and outplacement assistance; (ii) training, retraining and vocational training; (iii) support towards business creation; (iv) contribution to business creation; (v) incentives and allowances.

The estimated total costs are EUR 2 301 644, comprising expenditure for personalised services of EUR 2 270 644 and expenditure for preparatory, management, information and publicity, control and reporting activities of EUR 31 000.

The total financial contribution requested from the EGF is EUR 1 956 397 (85 % of total costs).

Budgetary proposal

The EGF should not exceed a maximum annual amount of EUR 186 million (in 2018 prices), as laid down in Article 8 of 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 1 956 397, representing 85 % of the total costs of the proposed measures, in order to provide a financial contribution for the application.