

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

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The Committee on Budgets adopted the report by Olivier CHASTEL (Renew Europe, BE) 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 1 956 397 in commitment and payment appropriations to assist Belgium in supporting displaced workers.

Belgium's application

On 18 October 2022, Belgium submitted application EGF/2022/002 BE/TNT for a financial contribution from the European Globalisation Adjustment Fund (EGF), following 548 redundancies in the economic sector classified under the NACE Revision 2 division 52 (Warehousing and support activities for transportation) in the province of Liège, within a reference period for the application from 27 March 2022 to 27 July 2022.

The application relates to 548 workers made redundant in the company TNT Express Worldwide (Euro Hub) SRL in Belgium (TNT Belgium). The activity of 11 workers ceased between the end of the reference period and the day before the adoption of the proposal by the Commission and those workers will also be eligible for support from the EGF.

Members agreed with the Commission that the conditions set out in the EGF Regulation are met and that Belgium is entitled to a financial contribution of EUR 1 956 397 under that Regulation, which represents 85 % of the total cost of the proposed actions.

Link between the redundancies and a global financial and economic crisis

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. The COVID-19 pandemic and the Russian war of aggression against Ukraine have reduced economic competitiveness and have a negative impact on economic growth in Belgium. As a result, TNT Belgium had to downsize its workforce in reaction the decision to use Liège airport as a secondary hub, with links to only some European airports, while Paris-Charles de Gaulle became the primary hub of its parent company FedEx, which has resulted in a decreased workload and a reduced number of flights at Liège airport. The changes aimed to strengthen FedEx's position within its highly competitive sector at European and national level.

A large proportion of the former workforce of TNT Belgium are disadvantaged groups, as 60 % of the displaced workers held low-qualified jobs and almost half of them (47 %) are over 50 years old. It recalled that the unemployment rate in Wallonia at 8.7 % is 2.8 % higher compared to the national level and that the employment market in the province of Liège, like that of Hainaut, is particularly disadvantaged compared to other provinces in Wallonia.

Personalised package of services

Members noted that Belgium started providing personalised services to the targeted beneficiaries on 1 April 2022 and that the period of eligibility for a financial contribution from the EGF will therefore be from 1 April 2022 until 24 months after the date of the entry into force of the financing decision.

The actions include: (i) information, occupational guidance and outplacement assistance; (ii) training, retraining and vocational training; (iii) support for business creation; (iv) contribution to business creation; (v) incentives and allowances.

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.