



*Committee on Employment and Social Affairs
The Chair*

27.5.2021

Mr Johan Van Overtveldt
Chair
Committee on Budgets
BRUSSELS

Subject: **Opinion on mobilisation of the European Globalisation Adjustment Fund - EGF/2020/007 FI/Finnair - Finland (2021/0116(BUD))**

Dear Mr Chair,

Under the procedure referred to above, the Committee on Employment and Social Affairs has been asked to submit an opinion to your committee. At its meeting of 18 May 2021, the committee decided to send the opinion in the form of a letter.

The Committee on Employment and Social Affairs considered the matter at its meeting of 27 May 2021. At that meeting, it decided to call on the Committee on Budgets, as the committee responsible, to incorporate the following suggestions into its motion for a resolution.

Yours sincerely,

Lucia Ďuriš Nicholsonová

SUGGESTIONS

The deliberations of the EMPL committee are based on the following considerations:

- A. Whereas on 30 December 2020, Finland submitted an application EGF/2020/007 FI/Finnair for a financial contribution from the EGF, following 508 redundancies in the company Finnair Oyj and one subcontractor, located in the NUTS level 2 region of Helsinki-Uusimaa (FI1B);
- B. Whereas the Commission deemed the application admissible under the intervention criteria of Article 4(1)(a) of the EGF Regulation, which requires at least 500 workers being made redundant over a reference period of four months in an enterprise in a Member State, including workers made redundant by suppliers and downstream producers and/or self-employed persons whose activity has ceased;
- C. Whereas on 6 May 2021, the Commission adopted a proposal for a decision on the mobilisation of the EGF in favour of to support the reintegration in the labour market of 500 targeted beneficiaries, i.e. workers made redundant in the economic sector classified under the NACE Revision 2, namely Division 51 (Air transport);
- D. Whereas the COVID-19 pandemic caused an immense shock to the aviation industry due to travel restrictions with international passenger demand falling by 75,6 % in 2020 compared to 2019 levels. Whereas according to the global passenger forecast by the International Air Transport Association, it will take 3 to 4 years for the aviation industry to recover to its pre-crisis level;
- E. Whereas the Commission declared that the health crisis resulted in an economic crisis, set out a recovery plan for the economy, and underlined the role of the EGF as an emergency tool;
- F. Whereas in 2020 the number of Finnair passengers decreased by 76,2 % (from 14,7 million to 3,5 million) and the company accumulated an operating loss of EUR 464,5 million. Whereas in response Finnair had to reduce its costs in order to address this crisis and savings were made in real estate, aircraft leasing, IT (digitalisation and automation of its customer processes), sales and distribution costs, as well as administration costs and compensation structures, and this led to the workforce being reduced by 1000 jobs;
- G. Whereas the aviation sector's contribution to the Finnish economy is significant with 42 000 persons (23 000 direct and 19 000 indirect jobs) employed in 2020 and contributing 3,2 % to total GDP and these redundancies will have a serious impact on the national economy. Whereas the number of unemployed jobseekers in the Helsinki-Uusimaa region where the redundancies are concerned increased by 0,8 percentage points, from 6,4 % in 2019 to 7,2 % in 2020.

Therefore, the Committee on Employment and Social Affairs calls on the Committee on Budgets, as the committee responsible, to integrate the following suggestions in its motion for a resolution:

1. Agrees with the Commission that the conditions set out in Article 4(2) of the EGF Regulation are met and that Finland is entitled to a financial contribution of EUR 1 752 360 under that Regulation, which represents 60 % of the total cost of EUR 2 920 600, comprising expenditure for personalised services of EUR 2 730 600 and expenditure for preparatory, management, information and publicity, control and reporting activities of EUR 190 000;
2. Notes that all the procedural requirements were met;
3. Stresses that the Finnish authorities have confirmed that the eligible actions do not receive assistance from other Union funds or financial instruments;
4. Welcomes the six types of actions to be provided to redundant workers foreseen under the package of personalised services (coaching and other preparatory measures; Employment and business services; training; pay subsidy; start-up grant; allowances for travel, accommodation and removal to cover related expenditure incurred during job-seeking or training), for which EGF co-funding is requested;
5. Recalls that assistance from the EGF and other Union funds must not replace actions which are the responsibility of companies, by virtue of national law or collective agreements;
6. Strongly supports that in 2021-2027 the EGF will continue to show solidarity while shifting the focus from the cause of restructuring to its impact; welcomes that under the new rules, decarbonisation will also be a reason for applicators to be eligible for support.