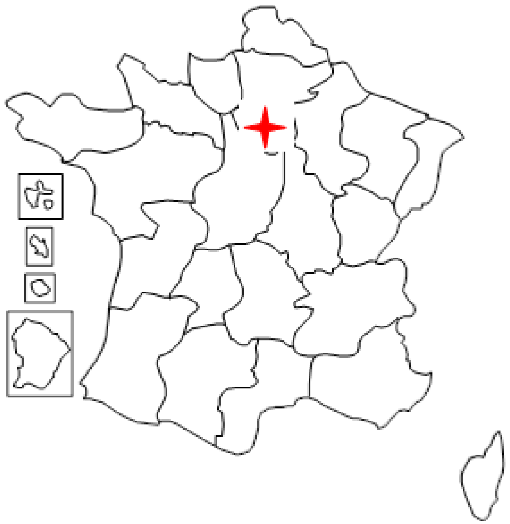
Air France



Reference	EGF/2013/014 FR Air France
Member State	France
Sector	Air transport
Submitted to European Commission	20.12.2013
Total budget planned	€51 875 626
EGF contribution	€25 937 813
Intervention criterion	2(a)
Period of reference	1.7.2013-30.10.2013
Redundancies during period of reference	1 019
Active employment measures	To be provided for 3 886 workers and include: - Advisory services and vocational guidance, - Various types of training, - Redeployment allowance, - Mobility allowance.

BACKGROUND

- Globally, the international air transport market is still dominated by European airlines. However, this sector has undergone serious economic disruption, in particular a decline of the EU’s market share. Over the period 2008-2012, the global traffic increased by 4,6 % per year, as part of a trend of long-term growth observed since 1970 while the air traffic between Europe and the rest of the world is growing at a slower pace (2,4 %) which has led to a decrease of the EU-27’s market share in air transport measured in revenue passenger-kilometres (RPK).

- The effects of these changes in trade patterns have been worsened by other factors such as a decrease in demand as a consequence of the economic crisis and the increase of oil prices (fuel represents sometimes almost one third of seat/kilometre costs). Since 2008, despite a rebound in 2010, the three European majors Lufthansa, Air France-KLM and IAG (comprising British Airways and Iberia) show regular losses.

- Faced with a high debt and an insufficient stock market capitalization (less than the value of its fleet) Air France could not efficiently react to the loss of market share in international air transport, which ended in a plan of various thousands of voluntary departures agreed with the workers and employees representatives.

- The redundancies covered in this application occurred mainly in the region of the Ile-de-France (77 %); the remaining 23 % are spread across the country including Corse and DOM, but predominantly (70 %) in the southern regions of Midi-Pyrénées and Provence-Alpes-Cote d'Azur (PACA).