

Aragón – food and beverage service activities



Reference	EGF/2014/003 ES Aragón food and beverage
Member State	Spain
Sector	Food and beverage service activities
Submitted to European Commission	21 February 2014
Total budget planned	€1 600 000
EGF contribution	€960 000
Intervention criterion	Article 4(1)(b) of Regulation (EC) No 1309/2013
Period of reference	1/3/2013 to 1/12/2013
Redundancies during period of reference	904 in 661 enterprises in the NUTS level 2 region Aragón (ES24)
Active employment measures	<p>To be provided to 280 beneficiaries and include:</p> <ul style="list-style-type: none"> - Occupational guidance and counselling - General training, re-training and vocational training - Job-search assistance - Tutoring after reintegration into work - Job-search allowance and employment incentives - Contribution for carers of dependent persons

BACKGROUND

- The global financial and economic crisis severely affected the Spanish economy, resulting in reductions in income and a decrease in household consumption. The decline in household consumption in Spain resulted in shrinking demand for food and beverage services, given the strong linkage of household expenditure levels with food and beverage consumption away from home. Expenditure on food services has been declining since the beginning of the financial and economic crisis; during the period from 2009 to 2012 it decreased by 12,1 %.
- The index of business activity of the food and beverage service activities declined by 8.26 % during the period 2010-2012 and the number of businesses operating in this sector had fallen by 11 % in Aragón between 2009 and 2011, as a consequence of the decrease in expenditure on away-from-home food. The decline in business activity and the closure of many businesses resulted in a large number of redundancies.
- Employment in Aragón has been severely affected by the crisis. The unemployment rate in the region has increased rapidly from 4,2 % in December 2007 to 18,4 % in December 2013.
- Since the food and beverage service activities sector has traditionally been considered as a safety net sector at times of scarce employment, the redundancies covered by this application have an adverse impact on the regional economy. The region was also affected by three other mass redundancy cases (automotive industry, retail and construction), for which applications were submitted to the Commission and received EGF support.