EU countries urge action against French, German minimum wage laws - Reuters News

07-Jun-2016 18:12:07

By Julia Fioretti

BRUSSELS, June 7 (Reuters) - Eleven countries have urged European Commission to take action against laws in France and Germany that require foreign drivers be paid the French or German minimum wages when they drive through those countries.

The transport ministers of Bulgaria, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Romania, Slovakia and Slovenia claim that such "protectionist practices" restrict the free movement of goods and services across the 28-nation European Union.

"We urge you and your services to take action against protectionist measures which are lately emerging across the EU," the ministers wrote in a letter to EU Transport Commissioner Violeta Bulc and Employment Commissioner Marianne Thyssen on Tuesday.

"National minimum wage restrictions and other national requirements, such as establishing permanent agencies in the operating market and providing employment documents in a local language, represent a unilateral barrier to cross-border road transport," the letter said.

Social issues in road transport have become politically sensitive in Europe since the expansion of Eastern European operators, who have taken advantage of low costs to take a big share of the trans-European road freight business.

The Commission has already begun a legal challenge to the application of Germany's minimum wage law to all transport operations, on the grounds that it runs counter to the EU principle of freedom to provide services (Full Story).

Germany introduced a minimum wage of 8.50 euros (\$9.64) an hour in January last year. It would apply that to any employee working within German borders, whether or not the worker or the employer is based in Germany.

The German minimum wage is higher than many earn in the Polish trucking industry.

Similar rules will soon come into force in France, requiring foreign-based drivers to receive the French minimum wage and foreign transport operators to designate a representative in France.

"The practicality of these measures remains questionable as they bring about an increase of the administrative burden, transport costs and the number of empty runs," the ministers wrote.

Bulc welcomed the letter, saying the EU supports minimum wages as long as they are proportionate and fair.

"I promise to follow up on their letter and continue open discussions on how future social arrangements on road transport should look," she told a news conference after a meeting of the EU's transport ministers in Brussels.

The Commission is planning to address issues such as social dumping next year.