

Brussels, 18 January 2010

806 construction workers in Lithuania to receive help from EU Globalisation Fund

The European Commission has today approved an application from Lithuania for assistance under the Globalisation Adjustment Fund (EGF). The Commission will now make a proposal to the European Parliament and the Council to mobilise the budgetary resources. The funding will help 806 workers in the buildings construction sector back into employment. The application – for assistance amounting to €1,118,893 – concerns workers made redundant in 128 small and medium-sized enterprises in the country.

"The construction sector has been hit particularly hard by the effects of the financial and economic crisis", said Employment Commissioner Vladimír Špidla. "I am glad that the workers concerned in our Member States are benefiting from the help the EGF can provide. I'm also confident that the planned measures will help these workers to return to employment".

The Lithuanian application relates to 1,612 redundancies in 128 small and medium-sized enterprises operating in the construction sector – one of the first sectors to be affected by the economic and financial crisis. It is expected that about half the redundant workers will take up the offers of assistance made possible thanks to support from the EGF.

During the first and second quarters of 2009, the volume of construction activity in Lithuania decreased by 42.81 % and 48.04 % respectively, compared with the same quarters in 2008, with the redundancies as a consequence of this sudden slowdown.

These redundancies have a serious impact in the country since unemployment in Lithuania is amongst the highest in the EU, and has risen sharply since the start of the economic and financial crisis. The construction industry has been especially badly affected, losing around 10% of its jobs in Lithuania in 2008 alone.

The package of EGF assistance for the construction workers who have lost their jobs will help 806 of the most disadvantaged back into employment by offering them employment incentives, career guidance and retraining. The total estimated cost of the package is almost €1,721,374, of which the European Union has been asked to provide EGF assistance of €1,118,893.

Background

There have been 42 applications to the EGF since the start of its operations in January 2007, for a total amount of about €240 million, helping some 42,000 workers. EGF applications relate to the following sectors: automotive (France, Spain, Portugal, Austria, Germany, Sweden); textiles (Italy, Malta, Lithuania, Portugal, Spain and Belgium); mobile phones (Finland and Germany); domestic appliances (Italy); computers and electronic products (Ireland and Portugal); mechanical/electronic (Denmark); repair and maintenance of aircraft and spacecraft (Ireland); crystal glass (Ireland); ceramics (Spain); construction (Netherlands and Lithuania); carpentry and joinery (Spain); electrical equipment (Lithuania) publishing and printing industry (Netherlands) and furniture (Lithuania). Initial reports from the first cases supported by the EGF show strong results in helping workers stay in the labour market and find new jobs.

The EGF, an initiative first proposed by President Barroso to provide help for people who lose their jobs due to the impact of globalisation, was established by the European Parliament and the Council at the end of 2006. In June 2009, the EGF rules were revised to strengthen the role of the EGF as an early intervention instrument. It forms part of Europe's response to the financial and economic crisis. The revised EGF Regulation entered into force on 2 July and applies to all applications received from 1 May 2009 onwards.

Further information

EGF website

<http://ec.europa.eu/egf>

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http://ec.europa.eu/avservices/video/video_prod_en.cfm?type=details&prodid=9847&src=1

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