

€8.5 million from EU Globalisation Fund to help 2,157 workers in the Spanish construction sector

The European Commission today approved two applications from Spain for assistance from the EU Globalisation Adjustment Fund (EGF). The €8,548,735 requested will help 2,157 redundant workers find new jobs. The workers lost their jobs in the ceramics, carpentry and joinery sectors after the Spanish construction industry was heavily hit by the economic slowdown. The application will now go to the European Parliament and the Council of the EU for agreement.

"The construction sector has been severely affected by the financial and economic crisis. As a result, all sectors directly related to building and particularly companies supplying materials, have seen demand plummet," said László Andor, EU Commissioner for Employment, Social Affairs and Inclusion. "I am hopeful that the planned measures will help these workers update their skills and find a new job as quickly as possible."

The Spanish applications relate to 2,425 redundancies in 181 small and medium sized enterprises manufacturing building ceramics in Comunidad Valenciana and 587 further redundancies in 66 enterprises operating in builder's carpentry and joinery in Castilla-La Mancha. These are two of the sectors most affected by the financial and economic crisis, as a direct consequence of the slowdown in construction activity, both in Spain and in export markets.

The impact of these redundancies at local level is huge. Spain is the second biggest ceramics producer in the EU and most of its production is concentrated around Castellón de la Plana, in the Comunidad Valenciana. 75% of the total population of the province lives in this area. The ceramic industry represents an average of 20% of the total jobs, while in some municipalities this percentage rises to 80%.

More than 50% of the total Spanish production of wooden doors is located in Castilla-La Mancha. 93% of the dismissals covered by this application are concentrated in two small municipalities: Villacañas (10,310 inhabitants) and Villa de Don Fadrique (4,065 inhabitants), where industry -- mainly production of wooden doors -- represents 70% of total employment.

The package of EGF assistance for the redundant workers covered by the two applications will help the 2,157 most disadvantaged back into employment by offering them occupational guidance, intensive job search assistance, promotion of entrepreneurship and support for setting up a business, various types of training and retraining courses, training workshops combined with work experience, participation and outplacement incentives and mobility allowances. The total estimated cost of the package is €13,151,900, of which the European Union has been asked to provide EGF assistance amounting to €8,548,735.

Background

There have been 55 applications to the EGF since the start of its operations in January 2007, for a total amount of about €272 million, helping more than 52,300 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 and natural stone (Spain); construction (Netherlands and Lithuania); carpentry and joinery (Spain); electrical equipment (Lithuania) publishing and printing industry (Netherlands), furniture (Lithuania), retail trade (Czech Republic) and wholesale trade (Netherlands). Final reports from the earlier 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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