

Brussels, 23 August 2010

European Globalisation Fund set to help workers in clothing industries in Spain

The European Commission approved an application from Spain for assistance from the EU Globalisation Adjustment Fund (EGF). The €1 844 700 requested by the Spanish authorities will help 500 redundant workers back into employment. The workers lost their jobs in the clothing industry after the economic slowdown exacerbated an already difficult situation, leading to an increase in payment defaults and eventually resulting in bankruptcies. The application will now go to the European Parliament and EU Ministers for agreement.

"Galicia (Spain) has been severely hit by the industrial crisis. 32 700 jobs were lost in manufacturing industry during the period 2007 – 2009, of which 4 414 in textiles, 3 940 in the automotive industry, and 2 098 in the maritime industry" said László Andor, EU Commissioner for Employment, Social Affairs and Inclusion. He added: "The redundant workers are finding it hard to reach new opportunities. I am confident that the EGF training and support will help cushion the transition to a new job".

The application relates to 703 redundancies in 82 small and medium sized enterprises in Galicia. The dismissals were a consequence of the new economic context resulting from the financial and economic crisis, which has severely affected the textiles and clothing industry since Q3/2008. The conditions governing access to credits with a view to financing the operations of the sector were made much more severe, whilst the decrease in consumer demand simultaneously put pressure on the producers. All this resulted in bankruptcies in the textiles industry.

The impact of these redundancies at local level is huge, as they aggravate the existing problem of unemployment in the region. In relation to the number of workers employed in manufacture of wearing apparel, they represent the following shares in the cities most affected: 9.68 % in Pontevedra, 5 % in Lugo, 4.4 % in A Coruña and 2.23 % in Ourense.

The package of EGF assistance for the former workers of the clothing industry will help 500 of the most disadvantaged back into employment by offering them: careers guidance; training and re-training; mobility and training vouchers; and also support for a better work-life balance. The total estimated cost of the package is almost €2.8 million, of which the European Union has been asked to provide EGF assistance of €1.8 million.

Background

There have been 66 applications to the EGF since the start of its operations in January 2007, for a total amount of about €373.6 million, helping more than 70,000 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, Portugal and the Netherlands); mechanical/electronic (Denmark); repair and maintenance of aircraft and spacecraft (Ireland); crystal glass (Ireland); ceramics and natural stone (Spain); construction (Netherlands, Ireland and Lithuania); carpentry and joinery (Spain); electrical equipment (Lithuania) publishing and printing industry (Netherlands and Germany), furniture (Lithuania), retail trade (Czech Republic and Spain) 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 2009 and applies to all applications received from 1 May 2009 onwards.

Further information

EGF website

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

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