

Brussels, 31 August 2010

512 former workers of NXP Semiconductors Netherlands BV to get €1.8 million from EU Globalisation Fund

The European Commission today approved an application from the Netherlands for assistance from the EU Globalisation Adjustment Fund (EGF). The application will now be put before the European Parliament and the Council of the European Union for decision. If approved, the € 1 809 434 million requested will help 512 workers made redundant by NXP Semiconductors Netherlands BV back into employment.

"The market for semiconductors, which is highly sensitive to changes in economic growth, has been seriously affected by the change in world trade patterns and the financial and economic crisis", said László Andor, EU Commissioner for Employment, Social Affairs and Inclusion. He added: "The support that the EGF provides aims to help these workers find a new job as quickly as possible".

The Dutch application relates to 590 redundancies in NXP Semiconductors Netherlands BV. The dismissals were a consequence of the change in world trade patterns: Europe's market share decreased from 14.9 % in 2005 to 11.2 % in 2009, whereas for the biggest players in Asia it increased from 39.7 % in 2005 to 43.3 % in 2009. The high value of the Euro against the US Dollar in 2009 created an additional comparative disadvantage for European manufacturers, as the costs were incurred in EUR and the products sold in USD. The financial and economic crisis further aggravated the situation and by April 2009 the worldwide turnover in semiconductors had dropped by 25.1 % compared to the same month of the previous year.

Most of the redundancies in NXP occurred in Nijmegen, and the lack of job opportunities in similar enterprises in the region will be particularly problematic for these workers, with a highly specialised experience in manufacturing.

The package of EGF assistance for the former workers of NXP Semiconductors Netherlands BV will help 512 of the most disadvantaged back into employment by offering them: job-to-job accompaniment, recognition of prior experience and also training and re-training. 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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