

Brussels, 5 November 2010

## **€114,250 from EU Globalisation Fund to help 189 former workers in Polish shipbuilding sector**

***The European Commission has approved an application from Poland for assistance from the European Globalisation adjustment Fund (EGF). The €114 250 requested by the Polish authorities will help 189 former workers of H.Cegielski-Poznań and four of its suppliers from the shipbuilding industry find a job. The Commission will now make proposals to the European Parliament and the Council to mobilise the budgetary resources.***

*"It is unlikely that at the end of the crisis H.Cegielski-Poznań and the other companies concerned by this EGF application could potentially return to normal production as shipbuilding will move to low cost areas, mainly in Asia, whose market share has been growing spectacularly in the recent years", said László Andor, EU Commissioner for Employment, Social Affairs and Inclusion. "The redundant workers may face difficulties finding new opportunities, with many having to move to other sectors. I am confident that the support and training through the EGF will make the transition to a new job easier".*

The Polish application relates to 658 redundancies in H.Cegielski-Poznań and four of its suppliers. H.Cegielski-Poznań is the only Polish manufacturer of marine engines, and its production is closely linked to the condition of the European shipbuilding industry, particularly that of Germany and Denmark.

The dismissals were a consequence of the financial and economic crisis that has changed the conditions and expectations for the future of shipbuilding. According to the Community of European Shipyards Association (CESA) a combination of factors brought about reduced shipbuilding requirements and by the end of 2008 / beginning of 2009, the placement of new orders came to an almost complete halt. In addition, about 10 % of new ship orders are expected to be cancelled and several of the ships on order will have their delivery dates postponed.

At the end of March 2009 in Poznań city and Poviát (the territory concerned) the dismissals in H.Cegielski-Poznań and its suppliers represented 3.8 % of those registered as unemployed. At the same time the number of job offers in the labour market of Poznań city and Poviát was decreasing, with reduced chances for new jobs for redundant workers, while job offers concerned mostly such sectors as: trade, financial services, protection of property, construction industry and services.

The former workers of H.Cegielski-Poznań and its suppliers would have slimmer chances of finding a new job matching their previous qualifications (mainly metal, machinery and related trades); therefore the package of EGF assistance will be particularly focused on supporting the workers in retraining. It will also include aid to self-employment and training allowances.

The financial assistance from the EGF is targeted at the 189 workers with the greatest difficulties for re-integration into the labour market. The total estimated cost of the package is € 175 770, of which the European Union has been asked to provide EGF assistance of € 114 250.

## **Background**

There have been 65 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 and Portugal); mechanical/electronic (Denmark and Germany); 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), 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 the Commission President José Manuel 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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