

Brussels, 10 February 2009

## Spanish car workers to get help from EU Globalisation Fund

*The European Commission has today approved an application from Spain for assistance under the European Globalisation adjustment Fund (EGF). The application will now be sent to the European Parliament and the Council who have to approve the release of the funds. The application – for €1,694,300 – was submitted after 1,082 employees were made redundant from three car producers and nine car component manufacturers located in two neighbouring Spanish regions: Castilla y León and Aragón.*

EU Employment Commissioner Vladimír Špidla said: "The automotive industry in Europe is feeling the impact of changing demand and production patterns as manufacturers look for cheaper places to produce their cars and trucks. This is the case in Castilla y León and Aragón, the two Spanish regions affected here, where the EGF has been asked to co-fund Member State activities to help redundant workers back into jobs as quickly as possible."

The Spanish application relates to 1,082 redundancies in twelve companies: six from the Castilla y León region and six from the Aragón region. For three of the companies involved, the redundancies are a direct result of a delocalisation of production to countries outside the EU (Morocco, Turkey and Taiwan). For the remaining nine, the redundancies result from an increase in imports of cars and their components into the EU and a decrease in the EU market share in the production of motor vehicles.

The total estimated cost of the package of EGF assistance - which will include guidance, preparation of personal pathways, general and specific training, support by a specialised team for re-integration, incentives to support active job-searching and incentives for rapid re-integration into employment - is €3.4 million, of which the European Commission has been asked to fund €1.7 million. The funding will help the 368 most affected of these redundant workers back into employment.

### Background

There have been 15 applications to the EGF so far. Twelve of those applications have been paid in full: €67,646,697 million in total, helping more than 15,000 workers. The Castilla y León and Aragón application is the fifth concerning the automotive industry approved by the Commission for presentation to the European Parliament and the Council. The other applications have concerned the mobile phone and textile industry.

The EGF may give a financial contribution in cases where more than 1,000 workers in an enterprise, or a region and sector, are made redundant due to major structural changes in world trade patterns leading notably to substantially increased imports into the EU or a rapid decline in EU market share.

The EGF was established by the European Parliament and the Council at the end of 2006 to provide help for people who have lost their jobs due to the impact of globalisation. In December 2008, the European Commission proposed to revise the EGF to strengthen its role as an early intervention instrument as part of Europe's response to the financial and economic crisis (see [IP/08/1985](#)).

### **Further information**

EGF website

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

Video News Release: Facing up to a globalised world – The European Globalisation Fund

[http://ec.europa.eu/avservices/video/video\\_prod\\_en.cfm?type=detail&prodid=4096&src=4](http://ec.europa.eu/avservices/video/video_prod_en.cfm?type=detail&prodid=4096&src=4)