

Brussels, 19 September 2009

€14.8 million of EU funding to help 2,400 former Dell workers in Ireland find new jobs

President José Manuel Barroso today announced that the European Commission has approved an application from Ireland for assistance from the European Globalisation adjustment Fund (EGF). The grant of €14.8 million would help 2,400 redundant workers in the computer industry to find new jobs. The application, one of the first to benefit from the new EU crisis measures, will now go to the European Parliament and the Council of the EU for agreement.

"The economic crisis is affecting all European countries but. Limerick and the surrounding area have been hit hard by job losses at the local Dell plant and its suppliers," said President Barroso. "The EU is built on solidarity. Our natural response is to come to the aid of those who are experiencing difficulties and to take decisive action to tackle the jobs impact of the crisis. The EGF is one way the EU is helping redundant workers back into jobs, and I am glad that these workers will be able to benefit from the help the EGF can provide."

Vladimír Špidla, EU Commissioner for Employment, Social Affairs and Social Affairs added: "When I visited Limerick last July and met with Dell workers, I promised to do everything to support those who loose their job. I am glad that today's decision will help former Dell workers to increase their skills and help them back into the labour market quickly."

The Irish application relates to 2,840 redundancies in total, of which 2,000 were in Dell Computers and 840 in eight of its suppliers and downstream producers. The plant in Limerick focussed on desktop PC sales: these dropped by 23% in the first quarter of 2009, as firms postponed their investment plans. The redundancies were a consequence of this rapid decline in demand and the company's decision to transfer 'mobile PC' (laptops, notebooks and netbooks) production from Limerick to Asian original design manufacturers, largely based in China, where production and labour costs are lower.

Dell represents 1.7% of total employment in the Mid-West Region, a region where unemployment before the Dell redundancies was already higher than the national average. The total estimated cost of the package of is almost €23 million, of which the European Union has been asked to provide EGF assistance of €14.8 million The package will help 2400 workers made redundant by offering them job guidance, support to set up their own business, training and retraining, an internship programme and education allowances and grants.

Background

There have been 27 applications to the EGF since its creation late 2006 for a total amount of over €154 million, helping some 33,300 workers. The Dell application is the first relating to computers. Other applications relate to the automotive sector (i.e. Peugeot, France), textiles (SMEs in Northern Italy, Belgium and Portugal), mobile phones (BenQ and Nokia in Germany), electrical equipment (AB Snaige, Lithuania), manufacture of machinery and equipments (i.e. Syddanmark, Germany), crystal glass (Waterford crystal, Ireland) domestic appliances (Merloni, Italy) and construction (Heijmans, The Netherlands). Initial reports from the first cases where EGF intervened show strong results to help workers stay in the labour market.

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. Dell together with Limburg and East and West Flanders – approved on 9 September – are the first applications benefiting from the revised rules.

Further information

EGF website:

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

<http://ec.europa.eu/social/main.jsp?langId=en&catId=89&newsId=594&furtherNews=yes>

Video News Releases:

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http://ec.europa.eu/avservices/video/video_prod_en.cfm?type=details&prodid=9847&src=1

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