

Brussels, 30 November 2009

## **1,793 former Karmann workers to get help worth €6.2 million from EU Globalisation Fund**

***The European Commission has today approved an application from Germany for assistance from the European 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 €6.2 million requested will help 1,793 automotive workers made redundant by the Karmann group back into employment.***

*"All corners of the EU are feeling the effects of the current crisis. The car sector has been hit particularly hard by the change in world trade patterns and the current economic crisis", said Employment Commissioner Vladimír Špidla. "I am glad that the workers affected across the EU are benefiting from the help the EGF can provide. I'm also confident that the planned measures will help these workers back into new jobs".*

The German application, which was received on 13 August 2009, relates to 2,476 dismissed workers (1,618 in Lower Saxony and 858 in North Rhine Westphalia) of which 1,793 are targeted for assistance. These redundancies are a consequence of a change in world trade patterns; in particular a significant reduction of the EU market further exacerbated by the global financial and economic crisis and the ensuing reduction in demand for motor vehicles since the second half of 2008.

The total estimated cost of the package of EGF assistance is €9.5 million, of which the European Commission has been asked to fund €6.2 million. The package will include: short time allowance; basic, individual and group qualification; qualification management; counselling for setting-up a business; job research; peer groups/workshops; international job applications and aftercare in case of unemployment at the end of the measures.

### **Background**

There have been 34 applications to the EGF since the start of its operations in January 2007, for a total amount of over €226 million, helping more than 41,000 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 (Ireland); mechanical/electronic (Denmark); repair and maintenance of aircraft and spacecraft (Ireland); crystal glass (Ireland); ceramics (Spain); construction (Netherlands and Lithuania); carpentry and joinery (Spain); electrical equipment (Lithuania) and furniture (Lithuania). Initial reports from the first 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 and applies to all applications received from 1 May 2009 onwards.

### **Further information**

EGF website

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

Video News Releases:

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